

2015 Explanatory Notes
Rural Business-Cooperative Service
Contents

Purpose Statement.....	30-1
Rural Business Program Account	
Appropriations Language.....	30-5
Lead-Off Tabular Statement.....	30-6
Project Statement.....	30-7
Justifications.....	30-9
Geographic Breakdown of Obligations.....	30-10
Classification by Objects.....	30-15
Rural Development Loan Fund Program Account	
Appropriations Language.....	30-16
Lead-Off Tabular Statement.....	30-17
Project Statement.....	30-18
Justifications.....	30-20
Geographic Breakdown of Obligations.....	30-21
Classification by Objects.....	30-22
Rural Economic Development Loan Program Account	
Appropriations Language.....	30-23
Project Statement.....	30-24
Justifications.....	30-26
Geographic Breakdown of Obligations.....	30-27
Classification by Objects.....	30-27
Rural Economic Development Grants	
Lead-Off Tabular Statement.....	30-28
Project Statement.....	30-29
Justifications.....	30-31
Geographic Breakdown of Obligations.....	30-32
Classification by Objects.....	30-32
Rural Microenterprise Investment Program Account	
Appropriations Language.....	30-33
Lead-Off Tabular Statement.....	30-34
Project Statement.....	30-35
Justifications.....	30-37
Geographic Breakdown of Obligations.....	30-38
Classification by Objects.....	30-39
Biorefinery Assistance Program Account	
Project Statement.....	30-40
Geographic Breakdown of Obligations.....	30-42
Classification by Objects.....	30-42
Energy Assistance Payments	
Project Statement.....	30-43
Geographic Breakdown of Obligations.....	30-45
Classification by Objects.....	30-46

Rural Energy for America Program Account	
Appropriations Language.....	30-47
Lead-Off Tabular Statement.....	30-48
Project Statement.....	30-49
Justifications.....	30-52
Geographic Breakdown of Obligations.....	30-54
Classification by Objects.....	30-58
Rural Cooperative Development Grants	
Appropriations Language.....	30-59
Lead-Off Tabular Statement.....	30-60
Project Statement.....	30-61
Justifications.....	30-64
Geographic Breakdown of Obligations.....	30-66
Classification by Objects.....	30-72
Rural Business and Cooperative Grants	
Appropriations Language.....	30-73
Lead-Off Tabular Statement.....	30-74
Project Statement.....	30-75
Justifications.....	30-76
Geographic Breakdown of Obligations.....	30-77
Classification by Objects.....	30-77
Southwest Border Regional Commission	
Lead-Off Tabular Statement.....	30-78
Project Statement.....	30-79
Justifications.....	30-80
Geographic Breakdown of Obligations.....	30-80
Classification by Objects.....	30-80
Empowerment Zones and Enterprise Communities Grants	
Project Statement.....	30-81
Rural Business Investment Program Account	
Appropriations Language.....	30-82
Lead-Off Tabular Statement.....	30-83
Project Statement.....	30-84
Justifications.....	30-85
Geographic Breakdown of Obligations.....	30-86
Classification by Objects.....	30-86
Healthy Foods, Healthy Neighborhoods Initiative	
Appropriations Language.....	30-87
Lead-Off Tabular Statement.....	30-88
Project Statement.....	30-89
Justifications.....	30-90
Geographic Breakdown of Obligations.....	30-91
Classification by Objects.....	30-91
Status of Programs.....	30-92

Summary of Budget and Performance

Statement of Goals and Objectives.....	30-97
Strategic Goal and Objectives Funding Matrix.....	30-100
Full Cost by Strategic Objective.....	30-101

RURAL BUSINESS-COOPERATIVE SERVICE

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) – Authorized by section 310B of the Consolidated Farm and Rural Development Act, 7 U.S.C 1921. 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. Sole proprietors, 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.

Rural Business and Cooperative Grants – This grant program will benefit small and emerging private businesses and cooperatives in rural areas by providing grant and technical assistance for economic and community development. This grant program will assist a wide range of recipients, including economic development organizations, business and community intermediaries, universities, and tribes. To better serve the agency's mission to ensure that rural communities are self-sustaining, repopulating, and thriving economically, this program will use an evidence based model in awarding funding where grantees must meet minimum performance targets that encourage private sector growth. By supporting evidence based practices, the agency anticipates that this program will increase the number of jobs created and saved. The Agricultural Act of 2014, P.L. 113-79, consolidated the rural business enterprise grant (RBEG) and rural business opportunity grant (RBOG) programs. In addition, the program includes rural microentrepreneur assistance grants and the rural community development initiative.

Intermediary Relending Program (IRP) – Authorized by 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) – Authorized by 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 RD's Utilities programs, which in turn use the funding to promote sustainable rural economic development and job creation projects and to capitalize revolving loan funds for economic development and job creation purposes.

Rural Business Investment Program (RBIP) – Authorized by section 6029 of the Farm Security and Rural Development Investments Act of 2002, 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 – Authorized by section 9007 of the 2002 Farm Bill, P.L. 107-171, as amended by the 2008 Farm Bill, P.L. 110-246, and the Agricultural Act of 2014. 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.

Rural Cooperative Development Grants (RCDG) – Authorized by section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)). 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 section 213 of the Agricultural Risk Protection Act of 2000, P.L. 106-224, as amended. 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, Socially Disadvantaged Producer Grants – Authorized by section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)). 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 section 310(c) of the Consolidated Farm and Rural Development Act of 2008. 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 Investment Program – Authorized under Section 379E(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008s). 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 – Reauthorized under Title IX of the Agricultural Act of 2014, P.L. 113-79. 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 – Reauthorized under Title IX of the Agricultural Act of 2014, P.L. 113-79, 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 For Advanced Biofuels Program – Reauthorized under Title IX of the Agricultural Act of 2014, P.L. 113-79, 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 agencies 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, 2013, there were 4,705 permanent full-time employees, including 1,383 in the headquarters and 3,322 in the field offices.

OIG Reports – Completed

34004-001-KC Assessment administration and servicing of the Rural Cooperative Development Grants (RCDGs) program by the Missouri State Office.

OIG Reports – In progress

34099-002-AT Investigation of effectiveness of servicing of the Business and Industry Loan Program by the Georgia State Office.

#34601-006-AT Review of internal controls for Rural Business Programs Intermediary Relending Program.

34601-015-TE National Report On The Business And Industry Loan Program.

34601-004-AT Rural Development lender servicing of Business and Industry Guaranteed loans in Georgia.

34703-001-KC Assessment of Rural Business Enterprise Grants provided under ARRA to ensure 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.

GAO Reports – Completed

GAO-12-260 “Renewable Energy: Federal Agencies Implement Hundreds of Initiatives.” The report described Federal investments in renewable energy and did not include any recommendations.

GAO-12-938R “The Distribution of Federal Economic Development Grant Funds to Communities with High Rates of Poverty and Unemployment.” This report describes selected federal grant programs that support economic development in high poverty areas. The report did not include any recommendations.

GAO Reports – In Progress

GAO-12-819 “Entrepreneurial Assistance: Opportunities Exist to Improve Programs’ Collaboration, Data-Tracking, and Performance Management.” On September 11, 2012, USDA provided GAO with its statement of action outlining how the Department will address the GAO recommendations.

GAO-13-136 “Wind Energy: Additional Actions Could Help Ensure Effective Use of Federal Financial Support.” USDA did not have any comments on draft report. Final report yet to be issued.

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
2,3 by [sections 306 and] section 310B and described in [subsections (f) and (g) of section 310B and] sections
4 310B(g) and 381E(d)(3)(B) of the Consolidated Farm and Rural Development Act, [\$96,539,000]
5 \$30,190,000, to remain available until expended: *Provided*, [That of the amount appropriated under this
heading, not to exceed \$500,000 shall be made available for one grant to a qualified national organization
to provide technical assistance for rural transportation in order to promote economic development and
\$3,000,000 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 of the amount appropriated under this heading shall be for business
grants to benefit Federally Recognized Native American Tribes, including \$250,000 for a grant to a
qualified national organization to provide technical assistance for rural transportation in order to promote
economic development: *Provided further*,] That sections 381E-H and 381N of the Consolidated Farm and
6 Rural Development Act are not applicable to funds made available under this heading: *Provided further*,
That any prior year balances for grants for the rural business development programs authorized by section
306 and described in sections 310(B) and 381E(d)(3) of the Consolidated Farm and Rural Development Act
shall be transferred to and merged with the Rural Business-Cooperative Services, Rural Business and
Cooperative Grants Account.

The first change eliminates wording concerning grants as there is no requested funding for grants in the account.

The second change removes language referencing the sections of the Consolidated Farm and Rural Development Act (CONACT) authorizing the rural business enterprise and rural business opportunity grants and replaces it with a grammatical change adding the word “section” before the CONACT reference for business and industry guaranteed loans since removing the language for the grants eliminated the wording for sections.

The third change eliminates detailed sections of the CONACT for programs that are not being included in the budget.

The fourth change adds detailed language concerning the authorizing language of the CONACT for the business and industry guaranteed loan program.

The fifth change eliminates the language for the rural business enterprise grant for passenger transportation systems, Native American Tribes for rural business enterprise and opportunity grants, Native American Tribes grants for passenger transportation systems, and Delta Regional Authority grants as no funding is requested for these programs in 2015.

The sixth change adds language transferring and merging the prior year balances of the rural business enterprise grants and the rural business opportunity grants to the rural business and cooperative grants account.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL BUSINESS PROGRAM ACCOUNT

Lead-Off Tabular Statement

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>
Budget Estimate, 2015.....	\$590,802,000	\$30,190,000	-
2014 Enacted.....	958,097,000	66,971,000	\$29,568,000
Change in Appropriation.....	<u>367,295,000</u>	<u>-36,781,000</u>	<u>-29,568,000</u>

Summary of Increases and Decreases

(Dollars in thousands)

<u>Program</u>	<u>2012 Actual</u>	<u>2013 Change</u>	<u>2014 Change</u>	<u>2015 Change</u>	<u>2015 Estimate</u>
Discretionary Appropriations:					
Business and industry (B&I) guaranteed loans....	\$45,341	+\$7,001	+\$14,629	-\$36,781	\$30,190
Rural business enterprise grants (RBEG).....	20,808	-1,940	+2,280	-21,148	<u>a/</u>
RBEG technical assistance transportation.....	500	+429	-429	-500	<u>a/</u>
RBEG native American tribes.....	2,760	-196	-145	-2,420	<u>a/</u>
RBEG native American tribes transportation.....	250	-18	+18	-250	<u>a/</u>
Rural business opportunity grants (RBOG).....	1,260	-89	-251	-920	<u>a/</u>
RBOG native American tribes.....	990	-70	+410	-1,330	<u>a/</u>
Delta regional authority grants.....	2,900	-113	+213	-3,000	-
Total.....	<u>74,809</u>	<u>+5,005</u>	<u>+16,725</u>	<u>-66,349</u>	<u>30,190</u>

a/ These programs are being consolidated under the Rural Business and Cooperative grants program.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL BUSINESS PROGRAM ACCOUNT

Project Statement
Adjusted Appropriations Detail and Staff Years (SYs)
(Dollars in thousands)

Program	2012 Actual			2013 Actual			2014 Estimate			Inc. or Dec.			2015 Estimate		
	Program Level	Budget Authority	SYs	Program Level	Budget Authority	SYs	Program Level	Budget Authority	SYs	Program Level	Budget Authority	SYs	Program Level	Budget Authority	SYs
Discretionary Appropriations:															
Business and industry (B&I) guaranteed loans.	\$810,512	\$45,341	349	\$890,177	\$52,342	165	\$958,097	\$66,971	161	-\$367,295 (1)	-\$36,781 (5)	24	\$590,802	\$30,190	185
B&I guaranteed NADBank loans.....	-	-	-	-	-	6	-	-	6	-	-	1	-	-	7
Rural business enterprise grants (RBEG).....	20,808	20,808	15	18,868	18,868	90	21,148	21,148	87	-21,148 (2)	-21,148	12	-	-	99
RBEG technical assistance transportation.....	500	500	-	929	929	-	500	500	-	-500 (2)	-500	-	-	-	-
RBEG native American tribes.....	2,760	2,760	-	2,564	2,564	-	2,420	2,420	-	-2,420 (2)	-2,420	-	-	-	-
RBEG native American tribes transportation...	250	250	-	232	232	-	250	250	-	-250 (2)	-250	-	-	-	-
Rural business opportunity grants (RBOG).....	1,260	1,260	9	1,171	1,171	23	920	920	23	-920 (3)	-920	3	-	-	26
RBOG native American tribes.....	990	990	-	920	920	-	1,330	1,330	-	-1,330 (3)	-1,330	-	-	-	-
Delta regional authority grants.....	2,900	2,900	-	2,787	2,787	-	3,000	3,000	-	-3,000 (4)	-3,000	-	-	-	-
Subtotal.....	839,980	74,809	373	917,649	79,814	284	987,665	96,539	277	-396,863	-66,349	40	590,802	30,190	317
Total Adjusted Approp.....	839,980	74,809	373	917,649	79,814	284	987,665	96,539	277	-396,863	-66,349	40	590,802	30,190	317
Rescissions and Transfers and Seq. (Net).....	-	-	-	67,918	6,090	-	-	-	-	-	-	-	-	-	-
Total Appropriation.....	839,980	74,809	373	985,567	85,904	284	987,665	96,539	277	-396,863	-66,349	40	590,802	30,190	317
Rescission..... <u>a/</u>	-	-	-	-25,945	-2,326	-	-	-	-	-	-	-	-	-	-
Sequestration..... <u>b/</u>	-	-	-	-41,973	-3,763	-	-	-	-	-	-	-	-	-	-
Bal. Available, SOY.....	62,625	5,932	-	122,155	10,386	-	179,298	20,294	-	39,191	-7,840	-	218,489	12,454	-
Recoveries, Other (Net).....	276,033	19,841	-	141,703	13,970	-	156,954	13,030	-	-156,954	-13,030	-	-	-	-
Total Available.....	1,178,638	100,582	373	1,181,507	104,171	284	1,323,917	129,863	277	-514,626	-87,219	40	809,291	42,644	317
Unobligated balances rescinded..... <u>c/</u>	-462	-462	-	-	-	-	-	-	-	-	-	-	-	-	-
Bal. Available, EOY.....	-94,375	-10,386	-	-213,623	-20,294	-	-160,091	-12,454	-	160,091	12,454	-	-	-	-
Total Obligations.....	1,083,801	89,734	373	967,884	83,877	284	1,163,826	117,409	277	-354,535	-74,764	40	809,291	42,644	317

a/ The amounts are pursuant to the Consolidated and Further Continuing Appropriations Act, 2013, Public Law 113-6, signed March 26, 2013, including 2.513 percent rescission in accordance with section 3001(b)(1)(A) and .2 percent rescission in accordance with section 3004(c)(1).

b/ The amounts are pursuant to the sequestration order signed by the President on March 1, 2013, in accordance with section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

c/ Natural disaster unobligated available as of August 10, 2010, rescinded in accordance with section 301 of the Education Jobs and Medicaid Assistance Act, P.L. 111-226, signed on August 10, 2010.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL BUSINESS PROGRAM ACCOUNT

Project Statement
Obligations Detail and Staff Years (SYs)
(Dollars in thousands)

Program	2012 Actual			2013 Actual			2014 Estimate			Inc. or Dec.			2015 Estimate		
	Program Level	Budget Authority	SYs												
Discretionary Obligations:															
Business and industry (B&I) guaranteed loans..	\$1,052,955	\$58,888	349	\$914,114	\$53,750	165	\$1,125,059	\$78,642	161	-\$318,573	-\$37,430	24	\$806,486	\$41,211	185
B&I guaranteed 2008 disasters.....	-	-	-	25,226	1,483	-	-	-	-	1,448	74	-	1,448	74	-
B&I guaranteed NADBank loans.....	-	-	-	-	99	6	-	-	6	252	252	1	252	252	7
Rural business enterprise grants (RBEG).....	21,522	21,522	15	18,868	18,868	90	29,575	29,575	87	-29,363	-29,363	12	212	212	99
RBEG 2008 disasters.....	-	-	-	-	-	-	-	-	-	150	150	-	150	150	-
RBEG technical assistance transportation.....	500	500	-	929	929	-	500	500	-	-498	-498	-	2	2	-
RBEG Mississippi delta.....	-	-	-	-	-	-	-	-	-	299	299	-	299	299	-
RBEG native American tribes.....	3,231	3,231	-	2,849	2,849	-	3,191	3,191	-	-2,994	-2,994	-	198	198	-
RBEG native American tribes transportation.....	250	250	-	232	232	-	250	250	-	-250	-250	-	-	-	-
Rural business opportunity grants (RBOG).....	1,385	1,385	9	1,710	1,710	23	920	920	23	-920	-920	3	-	-	26
RBOG native American tribes.....	1,058	1,058	-	1,169	1,169	-	1,330	1,330	-	-1,118	-1,118	-	212	212	-
RBOG Mississippi delta.....	-	-	-	-	-	-	-	-	-	32	32	-	32	32	-
Delta regional authority grants.....	2,900	2,900	-	2,788	2,788	-	3,000	3,000	-	-3,000	-3,000	-	-	-	-
Special Earmark, GP 764-2006, 738-2010.....	-	-	-	-	-	-	-	-	-	1	1	-	1	1	-
Subtotal.....	1,083,801	89,734	373	967,884	83,877	284	1,163,825	117,409	277	-709,068	-149,530	80	809,291	42,644	317
Total Obligations.....	1,083,801	89,734	373	967,884	83,877	284	1,163,825	117,409	277	-709,068	-149,530	80	809,291	42,644	317
Unobligated balances, rescinded..... <u>c/</u>	462	462	-	-	-	-	-	-	-	-	-	-	-	-	-
Bal. Available, EOY.....	94,375	10,386	-	213,623	20,294	-	160,091	12,454	-	-160,091	-12,454	-	-	-	-
Total Available.....	1,178,638	100,582	373	1,181,507	104,171	284	1,323,917	129,863	277	-869,159	-161,984	80	809,291	42,644	317
Rescission <u>a/</u>	-	-	-	25,945	2,326	-	-	-	-	-	-	-	-	-	-
Sequestration <u>b/</u>	-	-	-	41,973	3,763	-	-	-	-	-	-	-	-	-	-
Bal. Available, SOY.....	-62,625	-5,932	-	-122,155	-10,386	-	-179,298	-20,294	-	-39,191	7,840	-	-218,489	-12,454	-
Other Adjustments (Net).....	-276,033	-19,841	-	-141,703	-13,970	-	-156,954	-13,030	-	156,954	13,030	-	-	-	-
Total Appropriation.....	839,980	74,809	373	985,567	85,904	284	987,665	96,539	277	-751,396	-141,115	80	590,802	30,190	317

a/ The amounts are pursuant to the Consolidated and Further Continuing Appropriations Act, 2013, Public Law 113-6, signed March 26, 2013, including 2.513 percent rescission in accordance with section 3001(b)(1)(A) and .2 percent rescission in accordance with section 3004(c)(1).

b/ The amounts are pursuant to the sequestration order signed by the President on March 1, 2013, in accordance with section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

c/ Natural disaster unobligated available as of August 10, 2010, rescinded in accordance with section 301 of the Education Jobs and Medicaid Assistance Act, P.L. 111-226, signed on August 10, 2010.

Justification of Increases and Decreases

- (1) A decrease of \$367,295,000 for the rural business and industry guaranteed loans program (\$958,097,000 available in 2014).

Base funds for the program will continue to create/save jobs. By the end of 2014, the Business and Industry (B&I) guaranteed loan program projects to create/save 12,922 jobs and assist 418 businesses with a program level of \$958,097,000. The \$590,802,000 program level in 2015 for the rural business and industry guaranteed loan program will mean that Rural Development (RD) will be able to create/save approximately 7,968 jobs and assist 258 businesses. A decrease will negatively impact rural communities.

The B&I guaranteed 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.

Continuation of this program is critical because:

- It provides capital to enable rural businesses to participate in the global economy and
- It provides loan guarantees to private sector financial institutions to improve, develop, or finance business, industry, and employment; and to improve the economic and environmental climate in rural communities.

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

The B&I program is evaluated on an ongoing basis throughout the year based on a sampling of states and projects to determine if states are effectively administering the program and managing risk. The Rural Business-Cooperative Service (RBS) conducts regular evaluations of programs on both national and state levels. These reviews are risk based and assess program regulatory compliance in addition to effectiveness and efficiency. These reviews rely on data maintained in the Guaranteed Loan System (GLS) database as well as project files.

- (2) A decrease of \$24,318,000 for rural business enterprise grants (\$24,318,000 available in 2014).

A decrease of \$24.3 million is requested. Funding for this program will be part of the newly proposed Rural Business Cooperative Service Grant Program. This new program is expected to improve the agency's current grant allocation and evaluation process.

- (3) A decrease of \$2,250,000 for rural business opportunity grants (\$2,250,000 available in 2014).

A decrease of \$2.25 million is requested. Funding for this program will be part of the newly proposed Rural Business Cooperative Service Grant Program. This new program is expected to improve the agency's current grant allocation and evaluation process.

- (4) A decrease of \$3,000,000 for Delta Regional Authority grants (\$3,000,000 available in 2014).

Funding for the Delta Regional Authority can be requested in other RD grant programs.

- (5) A decrease of \$36,781,000 for the rural business and industry guaranteed loan subsidy (\$66,971,000 available in 2014).

The decrease in subsidy for this program is due to the decrease in the requested loan level, and this level of budget authority will support a loan level of \$590.8 million.

RURAL BUSINESS-COOPERATIVE SERVICE
Guaranteed Business and Industry Loans
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	\$15,832	\$24,062	-	-
Alaska.....	13,001	11,894	-	-
Arizona.....	14,219	21,571	-	-
Arkansas.....	13,769	6,414	-	-
California.....	101,394	47,245	-	-
Colorado.....	13,892	27,077	-	-
Connecticut.....	-	9,397	-	-
Delaware.....	4,070	-	-	-
Florida.....	40,706	34,996	-	-
Georgia.....	41,915	72,824	-	-
Hawaii.....	8,000	5,000	-	-
Idaho.....	17,215	19,774	-	-
Illinois.....	20,982	11,995	-	-
Indiana.....	14,773	4,530	-	-
Iowa.....	14,897	29,077	-	-
Kansas.....	16,556	9,659	-	-
Kentucky.....	68,428	16,980	-	-
Louisiana.....	45,503	42,312	-	-
Maine.....	3,124	13,413	-	-
Maryland.....	250	8,615	-	-
Massachusetts.....	3,350	-	-	-
Michigan.....	24,583	9,037	-	-
Minnesota.....	10,794	19,608	-	-
Mississippi.....	26,175	12,435	-	-
Missouri.....	21,730	29,875	-	-
Montana.....	6,910	-	-	-
Nebraska.....	13,083	11,898	-	-
Nevada.....	9,383	8,035	-	-
New Hampshire.....	3,418	-	-	-
New Jersey.....	3,656	-	-	-
New Mexico.....	6,550	11,817	-	-
New York.....	-	13,553	-	-
North Carolina.....	55,251	41,645	-	-
North Dakota.....	19,051	22,898	-	-
Ohio.....	42,437	15,900	-	-
Oklahoma.....	18,653	29,043	-	-
Oregon.....	9,206	26,663	-	-
Pennsylvania.....	26,988	30,569	-	-
South Carolina.....	34,360	14,500	-	-
South Dakota.....	33,256	22,711	-	-
Tennessee.....	26,175	26,681	-	-
Texas.....	-	29,489	-	-
Utah.....	10,488	19,806	-	-
Vermont.....	930	206	-	-
Virginia.....	9,884	16,935	-	-
Washington.....	16,391	23,918	-	-
West Virginia.....	4,600	14,049	-	-
Wisconsin.....	31,664	33,517	-	-
Wyoming.....	5,372	4,092	-	-
Guam.....	12,740	3,120	-	-
Puerto Rico.....	2,949	2,282	-	-
Virgin Islands.....	1,000	3,000	-	-
Undistributed.....	-	-	\$1,125,059 <u>a/</u>	\$806,486 <u>a/</u>
Obligations.....	1,052,955	914,114	1,125,059	806,486

a/ Totals cannot be distributed at this time.

RURAL BUSINESS-COOPERATIVE SERVICE
 Guaranteed Business and Industry Loans - 2008 Disasters
Geographic Breakdown of Obligations
 (Dollars in thousands)

State/Territory	2012 Actual Amount	2013 Actual Amount	2014 Estimate Amount	2015 Estimate Amount
Iowa.....	-	\$5,000	-	-
Louisiana.....	-	18,597	-	-
South Dakota.....	-	1,629	-	-
Undistributed.....	-	-	-	\$1,448 ^{a/}
Obligations.....	-	25,226	-	1,448

Guaranteed Business and Industry NADBank Loans
Geographic Breakdown of Obligations
 (Dollars in thousands)

State/Territory	2012 Actual Amount	2013 Actual Amount	2014 Estimate Amount	2015 Estimate Amount
District of Columbia.....	-	\$99	-	\$252
Obligations.....	-	99	-	252

^{a/} Totals cannot be distributed at this time.

RURAL BUSINESS-COOPERATIVE SERVICE
Rural Business Enterprise Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	\$586	\$522	-	-
Alaska.....	141	98	-	-
Arizona.....	333	259	-	-
Arkansas.....	410	363	-	-
California.....	723	500	-	-
Colorado.....	367	230	-	-
Connecticut.....	159	142	-	-
Delaware.....	116	96	-	-
Florida.....	606	546	-	-
Georgia.....	767	779	-	-
Hawaii.....	123	99	-	-
Idaho.....	210	181	-	-
Illinois.....	600	446	-	-
Indiana.....	514	478	-	-
Iowa.....	388	306	-	-
Kansas.....	293	229	-	-
Kentucky.....	605	571	-	-
Louisiana.....	395	379	-	-
Maine.....	356	227	-	-
Maryland.....	392	197	-	-
Massachusetts.....	155	138	-	-
Michigan.....	1,000	688	-	-
Minnesota.....	531	370	-	-
Mississippi.....	534	480	-	-
Missouri.....	522	507	-	-
Montana.....	842	168	-	-
Nebraska.....	133	170	-	-
Nevada.....	735	128	-	-
New Hampshire.....	374	158	-	-
New Jersey.....	154	131	-	-
New Mexico.....	233	188	-	-
New York.....	788	787	-	-
North Carolina.....	842	797	-	-
North Dakota.....	133	209	-	-
Ohio.....	735	702	-	-
Oklahoma.....	374	334	-	-
Oregon.....	287	268	-	-
Pennsylvania.....	692	684	-	-
Rhode Island.....	85	64	-	-
South Carolina.....	640	518	-	-
South Dakota.....	261	179	-	-
Tennessee.....	667	700	-	-
Texas.....	842	797	-	-
Utah.....	220	120	-	-
Vermont.....	166	1,097	-	-
Virginia.....	518	485	-	-
Washington.....	341	315	-	-
West Virginia.....	292	282	-	-
Wisconsin.....	466	457	-	-
Wyoming.....	117	97	-	-
Guam.....	100	50	-	-
N. Mariana Islands.....	130	-	-	-
Puerto Rico.....	661	152	-	-
Undistributed.....	-	-	\$29,575 a/	\$212 a/
Obligations.....	21,522	18,868	29,575	212

Rural Business Enterprise Grants - 2008 Disasters
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Undistributed.....	-	-	-	\$150 a/
Obligations.....	-	-	-	150

a/ Totals cannot be distributed at this time.

RURAL BUSINESS-COOPERATIVE SERVICE
Rural Business Enterprise Grants - Technical Assistance for Rural Transportation
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Maryland.....	\$500	\$929	\$500	\$2
Obligations.....	500	929	500	2

Rural Business Enterprise Grants - Native American Tribes
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Alaska.....	\$250	\$450	-	-
Arizona.....	330	227	-	-
California.....	213	98	-	-
Minnesota.....	-	96	-	-
Montana.....	694	250	-	-
Nebraska.....	155	99	-	-
Nevada.....	118	90	-	-
New Mexico.....	50	115	-	-
North Dakota.....	210	-	-	-
Oklahoma.....	252	642	-	-
Oregon.....	246	100	-	-
South Carolina.....	99	-	-	-
South Dakota.....	499	299	-	-
Utah.....	-	160	-	-
Washington.....	116	50	-	-
Wisconsin.....	-	173	-	-
Undistributed.....	-	-	\$3,191 <u>a/</u>	\$198 <u>a/</u>
Obligations.....	3,231	2,849	3,191	198

Rural Business Enterprise Grants - Native American Tribes for Rural Transportation
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Maryland.....	\$250	\$232	\$250	-
Obligations.....	250	232	250	-

Rural Business Enterprise Grants - Mississippi Delta
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Undistributed.....	-	-	-	\$299 <u>a/</u>
Obligations.....	-	-	-	299

a/ Totals cannot be distributed at this time.

RURAL BUSINESS-COOPERATIVE SERVICE
Rural Business Opportunity Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Arkansas.....	\$50	\$100	-	-
Georgia.....	50	-	-	-
Hawaii.....	50	-	-	-
Idaho.....	30	80	-	-
Indiana.....	-	48	-	-
Iowa.....	100	-	-	-
Kansas.....	50	-	-	-
Kentucky.....	141	-	-	-
Maine.....	-	91	-	-
Massachusetts.....	44	-	-	-
Mississippi.....	50	-	-	-
Missouri.....	121	116	-	-
Montana.....	-	100	-	-
New Hampshire.....	65	65	-	-
New Jersey.....	44	-	-	-
New Mexico.....	50	-	-	-
New York.....	26	313	-	-
North Dakota.....	100	307	-	-
Ohio.....	-	65	-	-
Oklahoma.....	-	21	-	-
Oregon.....	-	45	-	-
South Dakota.....	50	-	-	-
Utah.....	14	300	-	-
Vermont.....	134	-	-	-
Washington.....	50	-	-	-
West Virginia.....	50	-	-	-
Wisconsin.....	67	50	-	-
Wyoming.....	-	9	-	-
Other Countries.....	50	-	-	-
Undistributed.....	-	-	\$920 ^{a/}	-
Obligations.....	1,385	1,710	920	-

Rural Business Opportunity Grants - Native American Tribes
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Alaska.....	-	\$70	-	-
Arizona.....	-	50	-	-
California.....	\$75	48	-	-
Kansas.....	92	-	-	-
Louisiana.....	75	-	-	-
Maine.....	-	44	-	-
Minnesota.....	-	113	-	-
Mississippi.....	-	94	-	-
Montana.....	50	-	-	-
Nebraska.....	185	-	-	-
New Mexico.....	88	100	-	-
New York.....	120	100	-	-
Oklahoma.....	150	150	-	-
South Dakota.....	109	222	-	-
Tennessee.....	-	69	-	-
Utah.....	114	-	-	-
Washington.....	-	108	-	-
Undistributed.....	-	-	\$1,330 ^{a/}	\$212 ^{a/}
Obligations.....	1,058	1,710	1,330	212

^{a/} Totals cannot be distributed at this time.

RURAL BUSINESS-COOPERATIVE SERVICE
Rural Business Opportunity Grants - Mississippi Delta
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Undistributed.....	-	-	-	\$32 ^{a/}
Obligations.....	-	-	-	32

Delta Regional Authority Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Mississippi.....	\$2,900	\$2,788	\$3,000	-
Obligations.....	2,900	2,788	3,000	-

Special Earmark Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Undistributed.....	-	-	-	\$1 ^{a/}
Obligations.....	-	-	-	1

^{a/} Totals cannot be distributed at this time.

RURAL BUSINESS PROGRAM ACCOUNT
Classification by Objects
(Dollars in thousands)

	Actual	Actual	Estimate	Estimate
41.0 Grants, subsidies, and contributions...	\$89,734	\$83,877	\$117,409	\$42,644
99.9 Total, new obligations.....	89,734	83,877	117,409	42,644

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)), [~~\$18,889,000~~]\$10,013,000.

- 1 For the cost of direct loans, [~~\$4,082,000~~]\$3,084,000, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812 (a)), of which [~~\$531,000~~]\$431,000 shall be available through June 30, [~~2014~~]2015, for Federally Recognized Native American Tribes; and of which [~~\$1,021,000~~]\$771,000 shall be available through June 30, [~~2014~~]2015, for Mississippi Delta Region counties (as determined in accordance with Public Law 100-460):
- 2 *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.
- 3 In addition, for administrative expenses to carry out the direct loan programs, [~~\$4,439,000~~]\$4,249,000 shall be [~~transferred to and merged with~~]paid to the appropriation for “Rural Development, Salaries and Expenses”.

The first change modifies the expiration date of the set-aside funds for the federally recognized native American tribes loan program from June 30, 2014, to June 30, 2015.

The second change modifies the expiration date of the set-aside funds for the Mississippi delta region counties loan program from June 30, 2014, to June 30, 2015.

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

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

Lead-Off Tabular Statement

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Admin Expenses</u>
Budget Estimate, 2015.....	\$10,013,000	\$3,084,000	\$4,249,000
2014 Enacted.....	18,889,000	4,082,000	4,439,000
Change in Appropriation.....	<u>-8,876,000</u>	<u>-998,000</u>	<u>-190,000</u>

Summary of Increases and Decreases

(Dollars in thousands)

Program	2012 <u>Actual</u>	2013 <u>Change</u>	2014 <u>Change</u>	2015 <u>Change</u>	2015 <u>Estimate</u>
Discretionary Appropriations:					
Intermediary Relending Program.....	\$6,000	-\$419	-\$1,499	-\$998	\$3,084
Administrative Expenses.....	4,684	-591	+346	-190	4,249
Total.....	<u>10,684</u>	<u>-1,010</u>	<u>-1,153</u>	<u>-1,188</u>	<u>7,333</u>

RURAL BUSINESS-COOPERATIVE SERVICE
RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

Project Statement
Adjusted Appropriations Detail and Staff Years (SYs)
(Dollars in thousands)

Program	2012 Actual			2013 Actual			2014 Estimate			Inc. or Dec.			2015 Estimate		
	Program Level	Budget Authority	SYs												
Discretionary Appropriations:															
Intermediary Relending Program.....	\$17,710	\$6,000	13	\$17,420	\$5,581	49	\$18,889	\$4,082	47	-\$8,876 (1)	-\$998 (2)	+8	\$10,013	\$3,084	55
Administrative Expenses..... <u>a/</u>	-	4,684	-	-	4,093	-	-	4,439	-	-	-190	-	-	4,249	-
Subtotal.....	17,710	10,684	13	17,420	9,674	49	18,889	8,521	47	-8,876	-1,188	+8	10,013	7,333	55
Total Adjusted Approp.....	17,710	10,684	13	17,420	9,674	49	18,889	8,521	47	-8,876	-1,188	+8	10,013	7,333	55
Rescissions, Transfers, and Seq (Net)..... <u>b/c/</u>	-	-	-	1,469	816	-	-	-	-	-	-	-	-	-	-
Total Appropriation.....	17,710	10,684	13	18,889	10,490	49	18,889	8,521	47	-8,876	-1,188	+8	10,013	7,333	55
Rescission..... <u>b/</u>	-	-	-	-512	-284	-	-	-	-	-	-	-	-	-	-
Sequestration..... <u>c/</u>	-	-	-	-957	-531	-	-	-	-	-	-	-	-	-	-
Total Available.....	17,710	10,684	13	17,420	9,674	49	18,889	8,521	47	-8,876	-1,188	+8	10,013	7,333	55
Lapsing Balances.....	-125	-42	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Obligations.....	17,585	10,642	13	17,420	9,674	49	18,889	8,521	47	-8,876	-1,188	+8	10,013	7,333	55

a/ In 2012, funding of \$4,684,000 was appropriated and transferred to the Rural Development Salaries and Expenses account. In 2013, funding of \$4,093,000 was appropriated and transferred to the Rural Development Salaries and Expenses account. In 2014, funding of \$4,439,000 was appropriated and transferred to the Rural Development Salaries and Expenses account. In 2015, funding of \$4,249,000 is requested, and will be paid to the Rural Development Salaries and Expenses account.

b/ The rescission amounts are pursuant to the Consolidated and Further Continuing Appropriations Act, 2013, Public Law 113-6, signed March 26, 2013 including 2.513 percent rescission in accordance to section 3001(b)(1)(A) and .2 percent rescission in accordance to section 3004(c)(1).

c/ The sequestration amounts are pursuant to the sequestration order signed by the President on March 1, 2013, in accordance to section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

Project Statement
Obligations Details and Staff Years (SYs)
(Dollars in thousands)

Program	2012 Actual			2013 Actual			2014 Estimate			Inc. or Dec.			2015 Estimate		
	Program Level	Budget Authority	SYs												
Discretionary Obligations:															
Intermediary Relending Program.....	\$17,585	\$5,958	13	\$17,420	\$5,581	49	\$18,889	\$4,082	47	-\$8,876	-\$998	+8	\$10,013	\$3,084	55
Administrative Expenses..... <u>a/</u>	-	4,684	-	-	4,093	-	-	4,439	-	-	-190	-	-	4,249	-
Subtotal.....	17,585	\$10,642	13	17,420	\$9,674	49	18,889	\$8,521	47	-8,876	-1,188	+8	\$10,013	\$7,333	55
Total Obligations.....	17,585	10,642	13	17,420	9,674	49	18,889	8,521	47	-8,876	-1,188	+8	10,013	7,333	55
Lapsing Balances.....	125	42	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Available.....	17,710	10,684	13	17,420	9,674	49	18,889	8,521	47	-8,876	-1,188	+8	10,013	7,333	55
Rescission..... <u>b/</u>	-	-	-	512	284	-	-	-	-	-	-	-	-	-	-
Sequestration..... <u>c/</u>	-	-	-	957	531	-	-	-	-	-	-	-	-	-	-
Total Appropriation.....	17,710	10,684	13	18,889	10,490	49	18,889	8,521	47	-8,876	-1,188	+8	10,013	7,333	55

a/ In 2012, funding of \$4,684,000 was appropriated and transferred to the Rural Development Salaries and Expenses account. In 2013, funding of \$4,093,000 was appropriated and transferred to the Rural Development Salaries and Expenses account. In 2014, funding of \$4,439,000 was appropriated and transferred to the Rural Development Salaries and Expenses account. In 2015, funding of \$4,249,000 is requested, and will be paid to the Rural Development Salaries and Expenses account.

b/ The rescission amounts are pursuant to the Consolidated and Further Continuing Appropriations Act, 2013, Public Law 113-6, signed March 26, 2013 including 2.513 percent rescission in accordance to section 3001(b)(1)(A) and .2 percent rescission in accordance to section 3004(c)(1).

c/ The sequestration amounts are pursuant to the sequestration order signed by the President on March 1, 2013, in accordance to section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

Justification of Increases and Decreases

- (1) A decrease of \$8,876,000 for the intermediary relending program (\$18,889,000 available in 2014).

The purpose of the intermediary relending program (IRP) is to alleviate poverty and increase economic activity and employment in rural communities. Under the IRP program, loans are provided to local organizations (intermediaries) for the establishment of revolving loan funds. These revolving loan funds are used to make loans to businesses and community and economic development organizations that are unable to obtain commercial credit to assist them with financing business and economic development activities to create or retain jobs in disadvantaged and remote communities. Intermediaries are encouraged to work in concert with State and regional strategies and in partnership with other public and private organizations that can provide complementary resources.

The program supports USDA Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving. Specifically, number of jobs created or saved through USDA financing of businesses.

The proposed funding level of \$10.01 million is projected to create and/or save 7,575 jobs and assist 344 businesses.

- (2) A decrease of \$998,000 for the intermediary relending program loan subsidy (\$4,082,000 available in 2014).

The decrease in subsidy for this program is due to the decrease in the requested loan level, and this level of budget authority will support a loan level of \$10.01 million.

RURAL BUSINESS-COOPERATIVE SERVICE
Intermediary Relending Program Loans
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	\$455	-	-	-
Alaska.....	191	-	-	-
Arizona.....	305	-	-	-
Arkansas.....	751	-	-	-
California.....	\$800	\$1,200	-	-
Colorado.....	266	795	-	-
Connecticut.....	-	1,000	-	-
Delaware.....	364	-	-	-
Florida.....	400	-	-	-
Hawaii.....	180	-	-	-
Idaho.....	224	-	-	-
Illinois.....	400	-	-	-
Indiana.....	350	-	-	-
Iowa.....	306	-	-	-
Kansas.....	253	-	-	-
Kentucky.....	158	1,000	-	-
Maine.....	660	1,000	-	-
Maryland.....	-	1,000	-	-
Massachusetts.....	400	-	-	-
Michigan.....	552	500	-	-
Minnesota.....	749	-	-	-
Missouri.....	-	2,250	-	-
Montana.....	221	-	-	-
Nebraska.....	223	-	-	-
Nevada.....	-	1,000	-	-
New Hampshire.....	612	-	-	-
New Jersey.....	198	-	-	-
New Mexico.....	400	-	-	-
New York.....	856	750	-	-
North Carolina.....	161	-	-	-
Ohio.....	302	725	-	-
Oklahoma.....	150	500	-	-
Oregon.....	400	-	-	-
Pennsylvania.....	800	300	-	-
South Carolina.....	986	1,150	-	-
South Dakota.....	1,003	750	-	-
Tennessee.....	400	-	-	-
Texas.....	1,007	-	-	-
Utah.....	196	-	-	-
Vermont.....	206	1,000	-	-
Virginia.....	-	500	-	-
Washington.....	310	500	-	-
West Virginia.....	281	750	-	-
Wisconsin.....	380	-	-	-
Wyoming.....	177	-	-	-
Guam.....	400	-	-	-
Puerto Rico.....	152	750	-	-
Undistributed.....	-	-	\$18,889 ^{a/}	\$10,013 ^{a/}
Obligations.....	17,585	17,420	18,889	10,013
Lapsing balances.....	125	-	-	-
Total, Adjust Approp.....	17,710	17,420	18,889	10,013

^{a/} Totals cannot be distributed at this time.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

Classification by Objects

(Dollars in thousands)

	2012	2013	2014	2015
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
25.0 Other purchases of goods and services				
from government accounts.....	\$4,684	\$4,093	\$4,439	\$4,249
41.0 Grants, subsidies, and contributions.....	5,958	5,581	4,082	3,084
99.9 Total, new obligations.....	<u>10,642</u>	<u>9,674</u>	<u>8,521</u>	<u>7,333</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~~]\$59,456,000.

Of the funds derived from interest on the cushion of credit payments, as authorized by section 313 of the Rural Electrification Act of 1936, [~~\$172,000,000~~]\$155,000,000 shall not be obligated and
1 [~~\$172,000,000~~]\$155,000,000 are [~~rescinded~~]hereby permanently cancelled.

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

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL ECONOMIC DEVELOPMENT DIRECT LOANS

Project Statement

Adjusted Appropriations Detail and Staff Years (SYs)

(Dollars in thousands)

Program	2012 Actual			2013 Actual			2014 Estimate			Inc. or Dec.			2015 Estimate		
	Program Level	Budget Authority	SYs												
Discretionary Appropriations:															
Rural economic development direct loans.....	-	-	20	-	-	19	-	-	19	-	-	+3	-	-	22
Subtotal.....	-	-	20	-	-	19	-	-	19	-	-	+3	-	-	22
Total Adjusted Approp.....	-	-	20	-	-	19	-	-	19	-	-	+3	-	-	22
Total Appropriation.....	-	-	20	-	-	19	-	-	19	-	-	+3	-	-	22
Rescission.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bal. Available, SOY.....	\$46,150	\$5,990	-	\$45,352	\$5,619	-	\$57,885	\$4,891	-	-\$23,957	-\$559	-	\$33,928	\$4,333	-
Recoveries, Other (Net).....	4,842	629	-	10,356	1,283	-	10,311	871	-	-10,311	-871	-	-	-	-
Total Available.....	50,992	6,619	20	55,708	6,902	19	68,196	5,763	19	-34,268	-1,430	+3	33,928	4,333	22
Bal. Available, EOY.....	-43,290	-5,619	-	-39,478	-4,891	-	-51,273	-4,333	-	51,273	4,333	-	-	-	-
Offsetting collections paid from rural economic development grants account..... <u>a/</u>	33,077	4,293	-	33,077	4,098	-	33,077	2,795	-	26,379 (1)	4,798 (2)	-	59,456	7,593	-
Total Obligations.....	40,779	5,293	20	49,307	6,109	19	50,000	4,225	19	43,384	7,700	+3	93,384	11,925	22

a/ Program is funded by the interest on the cushion of credit account.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL ECONOMIC DEVELOPMENT DIRECT LOANS

Project Statement

Obligations Details and Staff Years (SYs)

(Dollars in thousands)

Program	2012 Actual			2013 Actual			2014 Estimate			Inc. or Dec.			2015 Estimate		
	Program Level	Budget Authority	SYs												
Discretionary Obligations:															
Rural economic development direct loans.....	\$40,779	\$5,293	20	\$49,307	\$6,109	19	\$50,000	\$4,225	19	+\$43,384	+\$7,700	+3	\$93,384	\$11,925	22
Total Obligations.....	40,779	5,293	20	49,307	6,109	19	50,000	4,225	19	+43,384	+7,700	+3	93,384	11,925	22
Recovery of prior year obligations.....	-4,842	-629	-	-10,356	-1,283	-	-10,311	-871	-	+10,311	+871	-	-	-	-
Bal. Available, EOY.....	43,290	5,619	-	39,478	4,891	-	51,273	4,333	-	-51,273	-4,333	-	-	-	-
Total Available.....	79,227	10,283	20	78,429	9,717	19	90,962	7,686	19	+2,422	+4,239	+3	93,384	11,925	22
Bal. Available, SOY.....	-46,150	-5,990	-	-45,352	-5,619	-	-57,885	-4,891	-	+23,957	+559	-	-33,928	-4,333	-
Offsetting collections paid from rural economic development grants account..... a/	-33,077	-4,293	-	-33,077	-4,098	-	-33,077	-2,795	-	-26,379	-4,798	-	-59,456	-7,593	-
Total Appropriation.....	-	-	20	-	-	19	-	-	19	-	-	+3	-	-	22

a/ Program is funded by the cushion of credit account.

Justification of Increases and Decreases

- (1) An increase of \$26,379,000 for the rural economic development loans (\$33,077,000 available in 2014).

Base funds for the program continue to create/save jobs. In 2014, with a program level of \$33,077,000 the Rural Economic Development (RED) Loan program anticipates creating/saving 2,096 jobs. In 2015, with funding of \$59,456,000, the RED loan program anticipates creating/saving a total of 3,767 jobs. The agency has been receiving more applications for this program and has increased the loan amount so that larger projects can be funded.

This program provides zero interest loans and small grants to electric and telephone utilities financed by 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.

Continuation of this program is critical because the program:

- It supports a variety of purposes and activities serving local and regional-based projects in rural areas and
- Assists rural businesses and community development projects by providing access to additional capital resources.

The program supports USDA Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving.

- (2) An increase of \$4,798,000 for the rural economic development loan subsidy (\$2,795,000 available in 2014).

There is no request for discretionary budget authority because this program is funded from the earnings in the cushion of credit account. Base funds for the program continue to create/save jobs. The requested subsidy supports the estimated loan obligation with the requested 2015 loan level for this program.

RURAL BUSINESS-COOPERATIVE SERVICE
Rural Economic Development Loans
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Arkansas.....	\$500	-	-	-
Colorado.....	740	-	-	-
Georgia.....	740	\$1,000	-	-
Illinois.....	1,390	4,000	-	-
Indiana.....	320	1,104	-	-
Iowa.....	5,100	4,711	-	-
Kansas.....	2,681	2,720	-	-
Kentucky.....	214	4,000	-	-
Minnesota.....	2,490	3,000	-	-
Mississippi.....	4,960	3,375	-	-
Missouri.....	3,220	3,206	-	-
Montana.....	160	678	-	-
Nebraska.....	1,129	798	-	-
North Carolina.....	2,500	6,408	-	-
North Dakota.....	2,480	4,000	-	-
Oklahoma.....	400	-	-	-
Oregon.....	184	-	-	-
South Carolina.....	3,140	2,738	-	-
South Dakota.....	1,000	-	-	-
Tennessee.....	3,017	3,521	-	-
Texas.....	740	-	-	-
Utah.....	-	3,642	-	-
Virginia.....	175	-	-	-
Washington.....	-	80	-	-
Wisconsin.....	2,500	325	-	-
Wyoming.....	1,000	-	-	-
Undistributed.....	-	-	\$50,000 ^{a/}	\$93,384 ^{a/}
Obligations.....	40,779	49,307	50,000	93,384
Bal. Available, SOY.....	-46,150	-45,352	-57,885	-33,928
Recoveries.....	-4,842	-10,356	-10,311	-
Bal. Available, EOY.....	43,290	39,478	51,273	-
Total, Adjust Approp.....	33,077	33,077	33,077	59,456

^{a/} Totals cannot be distributed at this time.

Classification by Objects
(Dollars in thousands)

	2012	2013	2014	2015
	Actual	Actual	Estimate	Estimate
41.0 Grants, subsidies, and contributions.....	\$5,293	\$6,109	\$4,225	\$11,925
99.9 Total, new obligations.....	5,293	6,109	4,225	11,925

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL ECONOMIC DEVELOPMENT GRANTS

Lead-Off Tabular Statement
(On basis of Appropriations)

Budget Estimate, 2015.....	-\$155,000,000
2014 Enacted.....	<u>-172,000,000</u>
Change in Appropriation.....	<u><u>-17,000,000</u></u>

Lead-Off Tabular Statement
(On basis of Funding)

Budget Estimate, 2015.....	\$10,000,000
2014 Enacted.....	<u>10,000,000</u>
Change in Funding.....	<u><u>-</u></u>

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL ECONOMIC DEVELOPMENT GRANTS

Project Statement

Adjusted Appropriations Detail and Staff Years (SYs)

(Dollars in thousands)

Program	2012 Actual		2013 Actual		2014 Estimate		Inc. or Dec.		2015 Estimate	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Discretionary Appropriations:										
Rural economic development grants.....	-	8	-	19	-	19	-	+3	-	22
Total Adjusted Approp.....	-	8	-	19	-	19	-	+3	-	22
Rescissions.....	-\$155,000	-	-\$180,000	-	-\$172,000	-	+\$17,000	-	-\$155,000	-
Total Appropriation.....	-155,000	8	-180,000	19	-172,000	19	+17,000	+3	-155,000	22
Transfers In:										
Rural Electrification and Telecommunications										
Liquidating Account, Cushion of Credit..... a/	186,004	-	166,103	-	162,000	-	-	-	\$162,000	-
Rural Electrification and Telecommunications electric underwriter loan fees.....	10,381	-	11,505	-	10,000	-	-	-	\$10,000	-
Subtotal.....	196,385	8	177,608	19	172,000	19	-	+3	\$172,000	22
Rescission.....	-155,000	-	-180,000	-	-172,000	-	+17,000	-	-\$155,000	-
Bal. Available, SOY.....	170,708	-	199,217	-	183,791	-	-11,610	-	\$172,180	-
Recoveries, Other (Net).....	991	-	1,044	-	811	-	-811	-	\$0	-
Total Available.....	213,084	8	197,869	19	184,601	19	+4,579	+3	\$189,180	22
Bal. Available, EOY.....	-199,217	-	-183,791	-	-172,180	-	+593	-	-\$171,588	-
Offsetting collections paid to rural economic development program account.....	-4,293	-	-4,098	-	-2,795	-	-4,798	-	-\$7,593	-
Total Obligations.....	9,573	8	9,980	19	9,626	19	+374	+3	\$10,000	22

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

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL ECONOMIC DEVELOPMENT GRANTS

Project Statement

Obligations Details and Staff Years (SYs)

(Dollars in thousands)

Program	2012 Actual		2013 Actual		2014 Estimate		Inc. or Dec.		2015 Estimate	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Discretionary Obligations:										
Rural economic development direct loans.....	\$9,573	8	\$9,980	19	\$9,626	19	+\$374	+3	\$10,000	22
Total Obligations.....	9,573	8	9,980	19	9,626	19	+374	+3	10,000	22
Recovery of prior year obligations.....	-991	-	-1,044	-	-811	-	+811	-	-	-
Bal. Available, EOY.....	199,217	-	183,791	-	172,180	-	-\$593	-	171,588	-
Total Available.....	207,800	8	192,727	19	180,996	19	+592	+3	181,588	22
Transfers In..... ^{a/}	-196,385	-	-177,608	-	-172,000	-	-	-	-172,000	-
Bal. Available, SOY.....	-170,708	-	-199,217	-	-183,791	-	+11,610	-	-172,180	-
Offsetting collections paid to rural economic development program account.....	4,293	-	4,098	-	2,795	-	+4,798	-	7,593	-
Total Appropriation.....	-155,000	8	-180,000	19	-172,000	19	+17,000	+3	-155,000	22

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

Justification of Increases and Decreases

No change in funding for rural economic development grants (\$10,000,000 available in 2014).

Base funds for the rural economic development (RED) grant program continue to create/save jobs. The program provides small grants to promote sustainable rural economic development and job creation projects and to capitalize revolving loan funds for economic development and job creation purposes.

Continuation of this program is critical because the program:

- It supports a variety of purposes and activities serving local and regional-based projects in rural areas and
- It assists rural businesses and community development projects by providing access to additional capital resources.

The program supports USDA Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving.

The program anticipates creating/saving 2,259 jobs each year. The program is funded through the earnings from the cushion of credit account.

RURAL BUSINESS-COOPERATIVE SERVICE
Rural Economic Development Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	\$300	-	-	-
Colorado.....	300	-	-	-
Illinois.....	120	\$600	-	-
Indiana.....	-	300	-	-
Iowa.....	1,800	1,780	-	-
Kansas.....	195	167	-	-
Kentucky.....	227	-	-	-
Michigan.....	-	300	-	-
Minnesota.....	523	300	-	-
Mississippi.....	900	300	-	-
Missouri.....	600	300	-	-
Nebraska.....	920	1,200	-	-
North Carolina.....	1,415	1,800	-	-
North Dakota.....	114	632	-	-
Ohio.....	-	300	-	-
Oregon.....	300	-	-	-
South Dakota.....	1,000	1,401	-	-
Tennessee.....	560	-	-	-
Texas.....	300	-	-	-
Utah.....	-	300	-	-
Wisconsin.....	-	300	-	-
Undistributed.....	-	-	\$9,626 <u>a/</u>	\$10,000 <u>a/</u>
Obligations.....	9,573	9,980	9,626	10,000
Bal. Available, EOY.....	427	20	374	-
Total, Adjust Approp.....	10,000	10,000	10,000	10,000

a/ Totals cannot be distributed at this time.

Classification by Objects
(Dollars in thousands)

	2012	2013	2014	2015
	Actual	Actual	Estimate	Estimate
41.0 Grants, subsidies, and contributions.....	\$9,573	\$9,980	\$9,626	\$10,000
99.9 Total, new obligations.....	9,573	9,980	9,626	10,000

RURAL BUSINESS-COOPERATIVE SERVICE

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

Rural Microenterprise Investment Program Account

For the cost of loans, \$3,290,000, 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 defined by section 502 of the Congressional Budget Act of 1974.

This change adds language for the Rural Microenterprise program which is newly proposed in 2015.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL MICROENTERPRISE INVESTMENT PROGRAM ACCOUNT

Lead-Off Tabular Statement

	<u>Loan Level</u>	<u>Subsidy</u>
Budget Estimate, 2015.....	\$25,683,000	\$3,290,000
2014 Enacted.....	-	-
Change in Appropriation.....	<u>+25,683,000</u>	<u>+3,290,000</u>

Summary of Increases and Decreases

(Dollars in thousands)

Program	<u>2012 Actual</u>	<u>2013 Change</u>	<u>2014 Change</u>	<u>2015 Change</u>	<u>2015 Estimate</u>
0					
Microenterprise Loans.....	-	-	-	+\$3,290	\$3,290
Total.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>+3,290</u>	<u>3,290</u>

RURAL BUSINESS-COOPERATIVE SERVICE
RURAL MICROENTERPRISE INVESTMENT PROGRAM ACCOUNT

Project Statement
Adjusted Appropriations Detail and Staff Years (SYs)
(Dollars in thousands)

Program	2012 Actual			2013 Actual			2014 Estimate			Inc. or Dec.			2015 Estimate		
	Program Level	Budget Authority	SYs												
Discretionary Appropriations:															
Microenterprise Loans	-	-	4	-	-	-	-	-	-	+\$25,683 (1)	+\$3,290 (2)	-	\$25,683	\$3,290	-
Subtotal	-	-	4	-	-	-	-	-	-	+25,683	+3,290	-	25,683	3,290	-
Mandatory Appropriations:															
Microenterprise Loans	a/b/	-	-	\$10,033	\$1,500	12	\$23,962	\$1,500	11	-12,252	-	+2	11,710	1,500	13
Microenterprise Grants	a/b/	-	-	1,500	1,500	12	1,500	1,500	11	-	-	+2	1,500	1,500	13
Total Adjusted Approp	-	-	4	11,533	3,000	24	25,462	3,000	22	+13,431	+3,290	+4	38,893	6,290	26
Rescissions, Transfers, and Seq. (Net)															
	-	-	-	-11,533	-3,000	-	-25,462	-3,000	-	+12,252	-	-	-13,210	-3,000	-
Total Appropriation	-	-	4	-	-	24	-	-	22	+25,683	+3,290	+4	25,683	3,290	26
Transfers In:															
Commodity Credit Corporation.	-	-	-	11,533	3,000	-	25,462	3,000	-	-12,252	-	-	13,210	3,000	-
Total	-	-	4	11,533	3,000	-	25,462	3,000	-	-12,252	-	-	13,210	3,000	26
Bal. Available, SOY	\$903	\$903	-	112	112	-	-	-	-	-	-	-	-	-	-
Recoveries, Other (Net)	112	112	-	1,181	311	-	-	-	-	-	-	-	-	-	-
Total Available	1,015	1,015	4	12,826	3,423	24	25,462	3,000	22	+221	+290	+4	25,683	3,290	26
Bal. Available, EOY	-112	-112	-	-11,626	-2,223	-	-	-	-	-	-	-	-	-	-
Total Obligations	903	903	4	1,200	1,200	24	25,462	3,000	22	+221	+290	+4	25,683	3,290	26

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. In addition, funding provided by section 6023 of the Agricultural Act of 2014, Public Law 113-79, dated February 7, 2014. The Act provides funds from the Commodity Credit Corporation of \$3,000,000 each year from 2014 through 2018, 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 pursuant to The Consolidated and Further Continuing Appropriations Act, 2012, signed November 18, 2011. Funding was made available in the Consolidated Appropriations Act, 2013, P.L. 113-6.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL MICROENTERPRISE INVESTMENT PROGRAM ACCOUNT

Project Statement
Obligations Detail and Staff Years (SYs)
(Dollars in thousands)

Program	2012 Actual			2013 Actual			2014 Estimate			Inc. or Dec.			2015 Estimate			
	Program Level	Budget Authority	SYs	Program Level	Budget Authority	SYs	Program Level	Budget Authority	SYs	Program Level	Budget Authority	SYs	Program Level	Budget Authority	SYs	
Discretionary Obligations:																
Microenterprise Loans	-	-	4	-	-	-	-	-	-	+25,683	+3,290	-	25,683	3,290	-	
Subtotal	-	-	4	-	-	-	-	-	-	+25,683	+3,290	-	25,683	3,290	-	
Mandatory Obligations:																
Microenterprise Loans	a/b/	-	-	-	-	12	\$23,962	\$1,500	11	-12,252	-	+2	11,710	1,500	13	
Microenterprise Grants	a/b/	\$903	\$903	-	\$1,200	\$1,200	12	1,500	1,500	11	-	-	+2	1,500	1,500	13
Subtotal		903	903	-	1,200	1,200	24	25,462	3,000	22	-12,252	-	+4	13,210	3,000	26
Total Obligations		903	903	4	1,200	1,200	24	25,462	3,000	22	+13,431	+3,290	+4	38,893	6,290	26
Recoveries, Other (Net)		112	112	-	-	-	-	-	-	-	-	-	-	-	-	-
Bal. Available, EOY		-112	-112	-	11,626	2,223	-	-	-	-	-	-	-	-	-	-
Total Available		903	903	4	12,826	3,423	24	25,462	3,000	22	+13,431	+3,290	+4	38,893	6,290	26
Transfers In:		-	-	-	-11,533	-3,000	-	-25,462	-3,000	-	+12,252	-	-	-13,210	-3,000	-
Bal. Available, SOY		-903	-903	-	-112	-112	-	-	-	-	-	-	-	-	-	-
Recoveries, Other (Net)		-	-	-	-1,181	-311	-	-	-	-	-	-	-	-	-	-
Total Appropriation		-	-	4	-	-	24	-	-	22	+25,683	+3,290	+4	25,683	3,290	26

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. In addition, funding provided by section 6023 of the Agricultural Act of 2014, Public Law 113-79, dated February 7, 2014. The Act provides funds from the Commodity Credit Corporation of \$3,000,000 each year from 2014 through 2018, 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 pursuant to The Consolidated and Further Continuing Appropriations Act, 2012, signed November 18, 2011. Funding was made available in the Consolidated Appropriations Act, 2013, P.L. 113-6.

Justification of Increases and Decreases

- (1) An increase of \$25,683,000 for the rural microenterprise assistance program direct loans (\$0 available in 2014).

In 2014, the rural microenterprise assistance program (RMAP) did not receive funding. A program level of \$25,683,000 in 2015 would create or save about 3,300 jobs.

The purpose of the program is to support the development and ongoing success of rural microentrepreneurs and microenterprises. To accomplish this purpose, the program will make direct loans to selected Microenterprise Development Organizations (MDOs). Selected MDOs will use the funds to provide microloans for working capital, business acquisitions, debt refinancing, fixtures, supplies, furniture, inventory, and equipment costs, and purchase or lease of facility. The program provides loan funds to intermediaries to capitalize revolving microloan fund programs. The revolving microloan fund programs make loans of not more than \$50,000 to recipients in rural communities involving equipment purchases and working capital for start-up or expansion of microenterprises. The duration of the loan is 20 years.

Funding for this program is critical because:

- Is the only Federal nation-wide program that finances the capitalization of microloan revolving loan funds that exclusively serve rural areas;
- Supports a variety of purposes and activities serving rural microenterprises (i.e. agricultural production); and
- Assists rural microentrepreneurs and microenterprises, which are unable to obtain adequate capital from commercial credit or other Federal, State, or local programs at reasonable rates and terms.

The program supports USDA Strategic Plan Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving.

RMAP addresses the lack of available credit and financial market conditions for microenterprise activities. These conditions often limit the ability of rural economies to create jobs, enhance amenities, and increase incomes to enable rural families to prosper.

Further, the 2014 Farm Bill provides \$3 million in budget authority each year until 2018.

- (2) An increase of \$3,290,000 for the rural microenterprise assistance program direct loan subsidy (\$0 available in 2014).

The subsidy requested for this program is to support the requested loan level of \$25.7 million.

RURAL BUSINESS-COOPERATIVE SERVICE
Discretionary Rural Microentrepreneur Assistance Program Direct Loans
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012	2013	2014	2015
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
	Amount	Amount	Amount	Amount
Undistributed.....	-	-	-	\$25,683 ^{a/}
Obligations.....	-	-	-	25,683

Mandatory Rural Microentrepreneur Assistance Program Direct Loans
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012	2013	2014	2015
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
	Amount	Amount	Amount	Amount
Undistributed.....	-	-	\$23,962 ^{a/}	\$11,710 ^{a/}
Obligations.....	-	-	23,962	11,710

Mandatory Rural Microentrepreneur Assistance Program Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012	2013	2014	2015
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
	Amount	Amount	Amount	Amount
California.....	-	\$86	-	-
Georgia.....	\$64	-	-	-
Idaho.....	78	54	-	-
Illinois.....	82	38	-	-
Kentucky.....	-	37	-	-
Maine.....	59	193	-	-
Maryland.....	20	18	-	-
Massachusetts.....	-	74	-	-
Michigan.....	34	47	-	-
Minnesota.....	-	15	-	-
Montana.....	21	39	-	-
Nebraska.....	95	81	-	-
Nevada.....	52	47	-	-
New Jersey.....	64	51	-	-
North Carolina.....	-	38	-	-
Ohio.....	19	26	-	-
Oregon.....	-	16	-	-
Pennsylvania.....	102	21	-	-
South Carolina.....	21	91	-	-
South Dakota.....	98	75	-	-
Wisconsin.....	95	129	-	-
Wyoming.....	-	23	-	-
Undistributed.....	-	-	\$1,500 ^{a/}	\$1,500 ^{a/}
Obligations.....	903	1,200	1,500	1,500

^{a/} Totals cannot be distributed at this time.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL MICROENTERPRISE INVESTMENT PROGRAM ACCOUNT

Classification by Objects

(Dollars in thousands)

	2012	2013	2014	2015
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
41.0 Grants, subsidies, and contributions.....	\$903	\$1,200	\$3,000	\$6,290
99.9 Total, new obligations.....	<u>903</u>	<u>1,200</u>	<u>3,000</u>	<u>6,290</u>

Note: It includes mandatory and discretionary funding.

RURAL BUSINESS-COOPERATIVE SERVICE
 BIOREFINERY ASSISTANCE PROGRAM ACCOUNT
Project Statement
 Adjusted Appropriations Detail and Staff Years (SYs)
 (Dollars in thousands)

Program	2012 Actual			2013 Actual			2014 Estimate			Inc. or Dec.			2015 Estimate			
	Program Level	Budget Authority	SYs	Program Level	Budget Authority	SYs	Program Level	Budget Authority	SYs	Program Level	Budget Authority	SYs	Program Level	Budget Authority	SYs	
Mandatory Appropriations:																
Guaranteed biorefinery loans	a/	-	-	-	-	16	\$241,371	\$100,000	15	-\$117,363	-\$50,000	+3	\$124,008	\$50,000	18	
Subtotal		-	-	-	-	16	241,371	100,000	15	-117,363	-50,000	+3	124,008	50,000	18	
Total Adjusted Approp		-	-	-	-	16	241,371	100,000	15	-117,363	-50,000	+3	124,008	50,000	18	
Rescissions, Transfers, and Seq. (Net)		-	-	-	-	-	-241,371	-100,000	-	117,363	50,000	-	-124,008	-50,000	-	
Total Appropriation		-	-	-	-	16	-	-	15	-	-	+3	-	-	18	
Transfers In:																
Commodity Credit Corporation		-	-	-	-	-	241,371	100,000	-	-117,363	-50,000	-	124,008	50,000	-	
Total		-	-	-	-	-	241,371	100,000	-	-117,363	-50,000	-	124,008	50,000	-	
Rescission	b/	-	-	-	-	-	-98,223	-40,694	-	-	-	-	-	-	-	
Bal. Available, SOY Recoveries, Other (Net)		\$613,343	\$185,278	-	\$96,890	\$40,694	-	\$171,803	\$71,178	-	-171,803	-71,178	-	-	-	
		-	-	-	72,581	30,484	-	-	-	-	-	-	-	-	-	
Total Available		613,343	185,278	-	169,471	71,178	16	314,950	130,484	15	-190,942	-80,484	+3	124,008	50,000	18
Bal. Available, EOY		-151,843	-40,694	-	-169,471	-71,178	-	-	-	-	-	-	-	-	-	
Total Obligations		461,500	144,584	-	-	-	16	314,950	130,484	15	-190,942	-80,484	+3	124,008	50,000	18

a/ Mandatory funding provided by Title IX of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The act provides funds from the Commodity Credit Corporation of \$75,000,000 for FY 2009 and \$245,000,000 for FY 2010, to remain available until expended. In addition, funding provided by section 9003 of the Agricultural Act of 2014, Public Law 113-79, dated February 7, 2014. The Act provides funds from the Commodity Credit Corporation of \$100,000,000 for 2014, \$50,000,000 for both 2015 and 2016, to remain available until expended.

b/ Rescission of all unobligated balances in the amount of \$40,694,000 of Biorefinery Assistance Program Account funds pursuant to the Consolidated Appropriates Act, 2014, Public Law 113-76, Division A, Title VII, GP 741.

RURAL BUSINESS-COOPERATIVE SERVICE
 BIOREFINERY ASSISTANCE PROGRAM ACCOUNT
Project Statement
 Obligations Detail and Staff Years (SYs)
 (Dollars in thousands)

Program	2012 Actual			2013 Actual			2014 Estimate			Inc. or Dec.			2015 Estimate			
	Program Level	Budget Authority	SYs	Program Level	Budget Authority	SYs	Program Level	Budget Authority	SYs	Program Level	Budget Authority	SYs	Program Level	Budget Authority	SYs	
Mandatory Obligations:																
Guaranteed biorefinery loans	<u>a/</u>	\$461,500	\$144,584	-	-	-	16	\$314,950	\$130,484	15	-\$190,942	-\$80,484	+3	\$124,008	\$50,000	18
Subtotal		461,500	144,584	-	-	-	-	314,950	130,484	-	-190,942	-80,484	-	124,008	50,000	-
Total Obligations		461,500	144,584	-	-	-	16	314,950	130,484	15	-190,942	-80,484	+3	124,008	50,000	18
Bal. Available, EOY		151,843	40,694	-	169,471	71,178	-	-	-	-	-	-	-	-	-	-
Total Available		613,343	185,278	-	169,471	71,178	16	314,950	130,484	15	-190,942	-80,484	+3	124,008	50,000	18
Transfers In:		-	-	-	-	-	-	-241,371	-100,000	-	+117,363	+50,000	-	-124,008	-50,000	-
Rescission	<u>b/</u>	-	-	-	-	-	-	98,223	40,694	-	-98,223	-40,694	-	-	-	-
Bal. Available, SOY		-613,343	-185,278	-	-96,890	-40,694	-	-171,803	-71,178	-	+171,803	+71,178	-	-	-	-
Recoveries, Other (Net)		-	-	-	-72,581	-30,484	-	-	-	-	-	-	-	-	-	-
Total Appropriation		-	-	-	-	-	16	-	-	15	-	-	+3	-	-	18

a/ Mandatory funding provided by Title IX of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The act provides funds from the Commodity Credit Corporation of \$75,000,000 for FY 2009 and \$245,000,000 for FY 2010, to remain available until expended. In addition, funding provided by section 9003 of the Agricultural Act of 2014, Public Law 113-79, dated February 7, 2014. The Act provides funds from the Commodity Credit Corporation of \$100,000,000 for 2014, \$50,000,000 for both 2015 and 2016, to remain available until expended.

b/ Rescission of unobligated balances in the amount of \$40,694,000 of Biorefinery Assistance Program Account funds pursuant to the Consolidated Appropriates Act, 2014, Public Law 113-76, Division A, Title VII, GP 741.

RURAL BUSINESS-COOPERATIVE SERVICE
Mandatory Guaranteed Biorefinery Loans
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012	2013	2014	2015
	Actual	Actual	Estimate	Estimate
	Amount	Amount	Amount	Amount
Alabama.....	\$25,000	-	-	-
Nevada.....	105,000	-	-	-
North Carolina.....	99,000	-	-	-
Oregon.....	232,500	-	-	-
Undistributed.....	-	-	\$314,950 <u>a/</u>	\$124,008 <u>a/</u>
Obligations.....	461,500	-	314,950	124,008
Bal. Available, SOY.....	-613,343	-96,890	-171,803	-
Recoveries.....	-	-72,581	-	-
Rescission.....	-	-	98,223	-
Bal. Available, EOY.....	151,843	169,471	-	-
Total, Adjusted Approp.....	-	-	241,371	124,008

a/ Totals cannot be distributed at this time.

BIOREFINERY ASSISTANCE PROGRAM ACCOUNT
Classification by Objects
(Dollars in thousands)

	2012	2013	2014	2015
	Actual	Actual	Estimate	Estimate
41.0 Grants, subsidies, and contributions.....	\$144,584	-	\$130,484	\$50,000
99.9 Total, new obligations.....	144,584	-	130,484	50,000

Note: It includes mandatory and discretionary funding.

RURAL BUSINESS-COOPERATIVE SERVICE

ENERGY ASSISTANCE PAYMENTS

Project Statement

Adjusted Appropriations Detail and Staff Years (SYs)

(Dollars in thousands)

Program	2012 Actual		2013 Actual		2014 Estimate		Inc. or Dec.		2015 Estimate	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Mandatory Appropriations:										
Repowering assistance payments..... <u>a/</u>	-	-	-	-	\$12,000	-	-\$12,000	-	-	-
Bioenergy program for advanced biofuel payments..... <u>b/c/</u>	\$65,000	-	\$80,395	-	15,000	-	-	-	\$15,000	-
Subtotal.....	65,000	7	80,395	2	27,000	2	-12,000	-	15,000	2
Total Adjusted Approp.....	65,000	7	80,395	2	27,000	2	-12,000	-	15,000	2
Rescissions, Transfers and Seq. (Net).....	-65,000	-	-80,395	-	-27,000	-	+12,000	-	-15,000	-
Total Appropriation.....	-	7	-	2	-	2	-	-	-	2
Transfers In:										
Commodity Credit Corporation.....	105,000	-	80,395	-	27,000	-	-12,000	-	15,000	-
Total.....	105,000	-	80,395	-	27,000	-	-12,000	-	15,000	-
Discretionary block on S&E funds..... <u>c/</u>	-40,000	-	-	-	-	-	-	-	-	-
Rescission..... <u>d/f/</u>	-	-	-28,045	-	-8,000	-	-	-	-	-
Sequestration..... <u>e/</u>	-	-	-3,315	-	-	-	-	-	-	-
Secretary interchange transfer.....	-	-	-8,300	-	-	-	-	-	-	-
Bal. Available, SOY.....	73,372	-	57,842	-	51,131	-	-43,731	-	7,400	-
Recoveries, Other (Net).....	-	-	155	-	-	-	-	-	-	-
Total Available.....	138,372	7	98,732	2	70,131	2	-47,731	-	22,400	2
Transfers Out:.....	-40,327	-	-	-	-	-	-	-	-	-
Bal. Available, EOY.....	-57,840	-	-51,131	-	-7,400	-	+7,400	-	-	-
Total Obligations.....	40,205	7	47,601	2	62,731	2	-40,331	-	22,400	2

RURAL BUSINESS-COOPERATIVE SERVICE

ENERGY ASSISTANCE PAYMENTS

Project Statement

Obligations Detail and Staff Years (SYs)
(Dollars in thousands)

Program	2012 Actual		2013 Actual		2014 Estimate		Inc. or Dec.		2015 Estimate	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Mandatory Obligations:										
Repowering assistance payments..... a/	\$5,000	-	-	-	\$12,000	-	-\$12,000	-	-	-
Bioenergy program for advanced biofuels payments..... b/c/	35,205	-	\$47,601	-	50,731	-	-28,331	-	\$22,400	-
Subtotal.....	40,205	7	47,601	2	62,731	2	-40,331	-	22,400	2
Total Obligations.....	40,205	7	47,601	2	62,731	2	-40,331	-	22,400	2
Transfers In:.....	40,205	-	47,601	-	62,731	-	-40,331	-	22,400	-
Transfers out.....	40,327	-	-	-	-	-	-	-	-	-
Bal. Available, EOY.....	57,840	-	51,131	-	\$7,400	-	-\$7,400	-	-	-
Total Available.....	138,372	7	98,732	2	70,131	2	-47,731	-	22,400	2
Transfers In:										
Commodity Credit Corporation.....	-105,000	-	-80,395	-	-27,000	-	+12,000	-	-15,000	-
Total.....	-105,000	7	-80,395	2	-27,000	2	+12,000	-	-15,000	2
Discretionary block on S&E funds..... c/	40,000	-	-	-	-	-	-	-	-	-
Rescission..... d/f/	-	-	28,045	-	8,000	-	-8,000	-	-	-
Sequestration..... e/	-	-	3,315	-	-	-	-	-	-	-
Sec. Interchange.....	-	-	8,300	-	-	-	-	-	-	-
Bal. Available, SOY.....	-73,372	-	-57,842	-	-51,131	-	+43,731	-	-7,400	-
Recoveries, Other (Net).....	-	-	-155	-	-	-	-	-	-	-
Total Appropriation.....	-	7	-	2	-	2	0	-	-	2

RURAL BUSINESS-COOPERATIVE SERVICE
Mandatory Repowering Assistance Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012	2013	2014	2015
	Actual	Actual	Estimate	Estimate
	Amount	Amount	Amount	Amount
Kansas.....	\$5,000	-	-	-
Undistributed.....	-	-	\$12,000 a/	-
Obligations.....	5,000	-	12,000	-

RURAL BUSINESS-COOPERATIVE SERVICE
Mandatory Bioenergy Program for Advanced Biofuels Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012	2013	2014	2015
	Actual	Actual	Estimate	Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	\$15	-	-
Arizona.....	\$82	20	-	-
Arkansas.....	851	960	-	-
California.....	1,976	1,359	-	-
Colorado.....	4	61	-	-
Connecticut.....	17	17	-	-
Florida.....	759	1,011	-	-
Georgia.....	163	289	-	-
Hawaii.....	38	20	-	-
Idaho.....	42	100	-	-
Illinois.....	2,981	2,191	-	-
Indiana.....	2,059	3,343	-	-
Iowa.....	2,838	4,212	-	-
Kansas.....	8,400	4,611	-	-
Kentucky.....	1,014	1,244	-	-
Louisiana.....	-	107	-	-
Maine.....	30	56	-	-
Maryland.....	-	266	-	-
Massachusetts.....	11	19	-	-
Michigan.....	44	24	-	-
Minnesota.....	1,698	1,768	-	-
Mississippi.....	400	521	-	-
Missouri.....	2,542	3,189	-	-
Nebraska.....	1,279	3,374	-	-
Nevada.....	11	91	-	-
New Hampshire.....	73	359	-	-
New Mexico.....	10	7	-	-
New York.....	49	148	-	-
North Carolina.....	52	122	-	-
Ohio.....	338	1,032	-	-
Oklahoma.....	2,462	5,574	-	-
Oregon.....	259	388	-	-
Pennsylvania.....	1,757	2,010	-	-
Rhode Island.....	13	82	-	-
South Carolina.....	118	11	-	-
South Dakota.....	6	21	-	-
Tennessee.....	28	81	-	-
Texas.....	1,629	7,799	-	-
Utah.....	17	7	-	-
Vermont.....	5	15	-	-
Virginia.....	101	130	-	-
Washington.....	842	658	-	-
West Virginia.....	11	46	-	-
Wisconsin.....	195	245	-	-
Undistributed.....	-	-	\$50,731 a/	\$22,400 a/
Obligations.....	35,205	47,601	50,731	22,400

a/ Totals cannot be distributed at this time.

RURAL BUSINESS-COOPERATIVE SERVICE

ENERGY ASSISTANCE PAYMENTS

Classification by Objects

(Dollars in thousands)

		2012	2013	2014	2015
		<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
41.0	Grants, subsidies, and contributions.....	\$40,205	\$47,601	\$62,731	\$22,400
99.9	Total, new obligations.....	<u>40,205</u>	<u>47,601</u>	<u>62,731</u>	<u>22,400</u>

RURAL BUSINESS-COOPERATIVE SERVICE

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

Rural Energy for America Program

- 1 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), [~~\$3,500,000~~]\$10,000,000: *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.

The first change adds the words “and grants” due to the program requiring grant funds to be available in order to effectively carrying out the program in 2015.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL ENERGY FOR AMERICA PROGRAM

Lead-Off Tabular Statement

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>
Budget Estimate, 2015.....	\$47,259,000	\$5,000,000	\$5,000,000
2014 Enacted.....	12,760,000	3,500,000	-
Change in Appropriation.....	<u>+34,499,000</u>	<u>+1,500,000</u>	<u>+5,000,000</u>

Summary of Increases and Decreases

(Dollars in thousands)

<u>Program</u>	<u>2012 Actual</u>	<u>2013 Change</u>	<u>2014 Change</u>	<u>2015 Change</u>	<u>2015 Estimate</u>
Discretionary Appropriations:					
Guaranteed renewable energy loans.....	\$1,700	+\$1,437	+\$363	+\$1,500	\$5,000
Renewable energy grants.....	1,700	-1,700	-	+5,000	5,000
Total.....	<u>3,400</u>	<u>-263</u>	<u>+363</u>	<u>+6,500</u>	<u>10,000</u>

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL ENERGY FOR AMERICA PROGRAM

Project Statement

Adjusted Appropriations Detail and Staff Years (SYs)

(Dollars in thousands)

Program	2012 Actual			2013 Actual			2014 Estimate			Inc. or Dec.			2015 Estimate				
	Program Level	Budget Authority	SYs	Program Level	Budget Authority	SYs											
Discretionary Appropriations:																	
Guaranteed renewable energy loans..... <u>a/</u>	\$6,491	\$1,700	-	\$13,065	\$3,137	5	\$12,760	\$3,500	5	+\$34,499	(1)	+\$1,500	(3)	+1	\$47,259	\$5,000	6
Renewable energy grants.....	1,700	1,700	-	-	-	-	-	-	-	+5,000	(2)	+5,000	-	-	5,000	5,000	-
Subtotal.....	8,191	3,400	78	13,065	3,137	5	12,760	3,500	5	+39,499		+6,500	+1	52,259	10,000	6	
Mandatory Appropriations:																	
Guaranteed renewable energy loans..... <u>a/b/c/</u>	133,639	35,000	-	131,642	31,607	10	91,141	25,000	10	+145,154		-	+2	236,295	25,000	12	
Renewable energy grants..... <u>b/c/</u>	32,060	32,060	-	18,839	18,839	76	21,500	21,500	74	-		-	+11	21,500	21,500	85	
Renewable energy feasibility studies..... <u>b/c/</u>	840	840	-	347	347	-	1,000	1,000	-	-		-	-	1,000	1,000	-	
Renewable energy audits and Technical assistance..... <u>b/c/</u>	2,100	2,100	-	12,398	12,398	-	2,500	2,500	-	-		-	-	2,500	2,500	-	
Subtotal.....	168,639	70,000	-	163,225	63,190	86	116,141	50,000	84	+145,154		-	+13	261,295	50,000	97	
Total Adjusted Approp.....	176,830	73,400	78	176,290	66,327	91	128,901	53,500	89	+184,653		+6,500	+14	313,554	60,000	103	
Rescissions, Transfers and Seq. (Net)..... <u>c/d/</u>	-168,639	-70,000	-	-162,129	-62,927	-	-116,141	-50,000	-	-145,154		-	-	-261,295	-50,000	-	
Total Appropriation.....	8,191	3,400	78	14,161	3,400	91	12,760	3,500	89	+39,499		+6,500	+14	52,259	10,000	103	
Transfers In:																	
Commodity Credit Corporation.....	168,639	70,000	-	163,225	63,190	-	116,141	50,000	-	+145,154		-	-	261,295	50,000	-	
Total.....	168,639	70,000	-	163,225	63,190	-	116,141	50,000	-	+145,154		-	-	261,295	50,000	-	
Rescissions..... <u>c/</u>	-	-	-	-383	-92	-	-	-	-	-		-	-	-	-	-	
Sequestration..... <u>d/</u>	-	-	-	-3,610	-1,293	-	-	-	-	-		-	-	-	-	-	
Discretionary block on S&E funds..... <u>e/</u>	-140,913	-48,000	-	-	-	-	-	-	-	-		-	-	-	-	-	
Bal. Available, SOY..... <u>g/</u>	5,312	3,155	-	24	24	-	100,727	24,762	-	-41,929		-18,264	-	58,799	6,498	-	
Recoveries, Other (Net)..... <u>f/h/</u>	12,035	12,035	-	9,664	6,940	-	9,726	5,510	-	-9,726		-5,510	-	-	-	-	
Unobligated balances transferred to CCC.....	-17,323	-15,190	-	-	-	-	-	-	-	-		-	-	-	-	-	
Total Available.....	35,941	25,400	78	183,081	72,170	91	239,355	83,772	89	+132,998		-17,274	+14	372,353	66,498	103	
Lapsing Balances.....	-2	-2	-	-	-	-	-	-	-	-		-	-	-	-	-	
Bal. Available, EOY..... <u>g/</u>	-24	-24	-	-110,933	-24,762	-	-22,870	-6,498	-	+22,870		+6,498	-	-	-	-	
Total Obligations.....	35,914	25,374	78	72,148	47,407	91	216,485	77,274	89	+155,868		-10,776	+14	372,353	66,498	103	

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL ENERGY FOR AMERICA PROGRAM

Project Statement
Obligations Detail and Staff Years (SYs)
(Dollars in thousands)

Program	2012 Actual			2013 Actual			2014 Estimate			Inc. or Dec.			2015 Estimate			
	Program Level	Budget Authority	SYs	Program Level	Budget Authority	SYs										
Discretionary Obligations:																
Guaranteed renewable energy loans.....	a/	\$6,491	\$1,700	-	\$13,065	\$3,137	5	\$12,760	\$3,500	5	+\$34,499	+\$1,500	+1	\$47,259	\$5,000	6
Renewable energy grants.....		1,700	1,700	-	-	-	-	-	-	-	+5,000	+5,000	-	5,000	5,000	-
Subtotal.....		8,191	3,400	78	13,065	3,137	5	12,760	3,500	5	+39,499	+6,500	+1	52,259	10,000	6
Mandatory Obligations:																
Guaranteed renewable energy loans.....	a/b/c/	7,787	2,039	-	19,493	4,680	10	142,470	39,079	10	+152,314	-7,891	+2	294,784	31,188	12
Renewable energy grants.....	b/c/	18,667	18,667	-	39,291	39,291	76	31,194	31,194	74	-9,384	-9,384	+11	21,810	21,810	85
Renewable energy feasibility studies.....	b/c/	389	389	-	299	299	-	1,000	1,000	-	-	-	-	1,000	1,000	-
Renewable energy audits and Technical assistance.....	b/c/	880	880	-	-	-	-	2,500	2,500	-	-	-	-	2,500	2,500	-
Subtotal.....		27,723	21,976	-	59,083	44,270	86	177,164	73,774	84	+142,930	-17,276	+13	320,094	56,498	97
Total Obligations.....		35,914	25,376	78	72,148	47,407	91	189,924	77,274	89	+182,429	-10,776	+14	372,353	66,498	103
Lapsing Balances.....		2	2	-	-	-	-	-	-	-	-	-	-	-	-	-
Bal. Available, EOY.....		24	24	-	110,933	24,762	-	22,870	6,498	-	-22,870	-6,498	-	-	-	-
Total Available.....		35,941	25,402	78	183,081	72,170	91	212,794	83,772	89	+159,559	-17,274	+14	372,353	66,498	103
Transfers In: Commodity Credit Corporation.....		-168,639	-70,000	-	-163,225	-63,190	-	-116,141	-50,000	-	-145,154	-	-	-261,295	-50,000	-
Rescissions.....	c/	-	-	-	383	92	-	-	-	-	-	-	-	-	-	-
Sequestration.....	d/	-	-	-	3,610	1,293	-	-	-	-	-	-	-	-	-	-
Discretionary block on S&E funds.....	e/	140,913	48,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Bal. Available, SOY.....	g/	-5,312	-3,155	-	-24	-24	-	-74,166	-24,762	-	+15,367	+18,264	-	-58,799	-6,498	-
Recoveries, Other (Net).....	f/h/	-12,035	-12,035	-	-9,664	-6,940	-	-9,726	-5,510	-	+9,726	+5,510	-	-	-	-
Unobligated balances transferred to CCC.....		17,323	15,190	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Appropriation.....		8,192	3,402	78	14,161	3,400	91	12,760	3,500	89	+39,499	+6,500	+14	52,259	10,000	103

Project Statement Footnotes

- a/ The subsidy rate is based on a guarantee fee of 1% and annual fee of .25% .
- b/ Includes mandatory funding provided by Title IX 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 2010, and \$70 million in both 2011 and 2012 from the funds of the Commodity Credit Corporation. In addition, funding provided by section 9007 of the Agricultural Act of 2014, Public Law 113-79, dated February 7, 2014. The Act provides funds from the Commodity Credit Corporation of \$50,000,000, to remain available until expended.
- c/ Pursuant to the Consolidated and Further Continuing Appropriations Act, 2013, Public Law 113-6, signed March 26, 2013, including 2.513 percent and .2 percent rescission in accordance with section 3004(c)(1), the amounts are rescinded.
- d/ Sequestration reduction pursuant to the sequestration order signed by the President on March 1, 2013, in accordance with section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.
- e/ 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.
- f/ For 2013, actual recoveries, Other(Net), of the \$6,940 budget authority amount, \$861 is for subsidy and \$6,079 is for grants.
- g/ For 2013, actual balance available, EOY, and FY 2014, estimated balance available, SOY, of the \$24,762 budget authority amount, \$18,673 is for subsidy and \$6,089 is for grants.
- h/ For 2014, estimated recoveries, Other (Net), of the \$5,509, budget authority amount, \$1,594 is for subsidy and \$3,915 is for grants.

Justification of Increases and Decrease

- (1) An increase of \$34,499,000 for rural energy for America program (REAP) guaranteed loans (\$12,760,000 available in 2014).

Base funds for the program continue to generate kilowatt-hours of alternative energy. In 2014, funding for the guaranteed loan program of \$12.8 million is projected to result in 667 million kilowatt hours of renewable energy generation/savings and reduce greenhouse gas emissions by an estimated 637,000 metric tons of carbon dioxide equivalence. Increasing energy savings measures and renewable energy generation will reduce dependence on fossil fuels; diversify power generation and fuel production; and create jobs and economic growth in rural communities. The 2015 request will support a total program level of \$47.3 million for guaranteed loans, an increase of \$34.5 million, projecting to result in 1,016 million kilowatt hours of renewable energy generation/savings and reduce greenhouse gas emissions by an estimated 972,000 metric tons of carbon dioxide equivalence.

The REAP 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.

Continuation of this program is critical because the program:

- Supports Presidential initiatives for a secure energy future;
- Enhances rural prosperity by facilitating sustainable renewable energy development.

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.

Expanding renewable energy production creates green jobs, improves the environment, and provides numerous opportunities to enhance rural prosperity. USDA provides financial and technical assistance to aid in sustainably producing and distributing renewable resources. This assistance goes to farmers, ranchers, forest landowners, small businesses, rural utilities, tribal governments, and rural municipalities and covers biomass, solar, wind, hydro, geothermal, and wave technologies as well as providing support for energy efficiency/conservation improvements.

- (2) An increase of \$5,000,000 for rural energy for America program (REAP) grants (\$0 available in 2014).

Base funds for the REAP will continue to generate kilowatt-hours of alternative energy. In 2014, no grant funding was provided. In 2015, funding for the grant program of \$5 million is projected to result in 97 million kilowatt hours of renewable energy generation/savings and reduce greenhouse gas emissions by an estimated 93,000 metric tons of carbon dioxide equivalence.

REAP provides grants to farmers, ranchers, and rural small businesses to assist with purchasing renewable energy systems and making energy efficiency improvements to their physical plants. For the last three years, the program has been oversubscribed approximately by 3 to 1, indicating that agricultural producers and rural small businesses are looking to reduce dependence on fossil fuels and diversify power generation and fuel production. Renewable energy projects funded by USDA grants improve the local economy by creating new jobs at energy plants, enhancing the tax base, and increasing local business profits. Recent funds allowed many agricultural producers and rural small business owners to decrease their energy consumption and increase their profit margins.

Expanding renewable energy production creates green jobs, improves the environment, and provides numerous opportunities to enhance rural prosperity. USDA provides financial and technical assistance to aid in sustainably producing and distributing renewable resources. This assistance goes to farmers, ranchers, forest landowners, small businesses, rural utilities, tribal governments, and rural municipalities and covers biomass, solar, wind, hydro, geothermal, and wave technologies as well as providing support for energy efficiency/conservation improvements.

- (3) An increase of \$1,500,000 in for rural energy for America program guaranteed loan subsidy (\$3,500,000 available in 2014).

The \$3,500,000 in budget authority for 2014 supported a program level of \$12,760,000. The \$1.5 million increase in loan subsidy will support the requested increase of \$34.5 million in loan level.

RURAL BUSINESS-COOPERATIVE SERVICE
Discretionary Rural Energy for America Program Guaranteed Loans
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012	2013	2014	2015
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
	Amount	Amount	Amount	Amount
Iowa.....	\$1,391	-	-	-
North Carolina.....	5,100	\$5,565	-	-
Pennsylvania.....	-	7,500	-	-
Undistributed.....	-	-	\$12,760 <u>a/</u>	\$47,259 <u>a/</u>
Obligations.....	6,491	13,065	12,760	47,259

Discretionary Rural Energy for America Program Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012	2013	2014	2015
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
	Amount	Amount	Amount	Amount
Georgia.....	\$376	-	-	-
Illinois.....	14	-	-	-
Indiana.....	27	-	-	-
Iowa.....	125	-	-	-
Kansas.....	80	-	-	-
Kentucky.....	138	-	-	-
Louisiana.....	93	-	-	-
Maine.....	160	-	-	-
Massachusetts.....	64	-	-	-
Minnesota.....	45	-	-	-
Mississippi.....	139	-	-	-
Missouri.....	61	-	-	-
North Carolina.....	378	-	-	-
Undistributed.....	-	-	-	\$5,000 <u>a/</u>
Obligations.....	1,700	-	-	5,000

a/ Totals cannot be distributed at this time.

RURAL BUSINESS-COOPERATIVE SERVICE
Mandatory Rural Energy for America Program Guaranteed Loans
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012	2013	2014	2015
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
	Amount	Amount	Amount	Amount
Georgia.....	\$1,304	-	-	-
Illinois.....	332	-	-	-
Iowa.....	29	-	-	-
Kentucky.....	26	-	-	-
Maine.....	52	-	-	-
Nebraska.....	55	\$101	-	-
New Hampshire.....	-	182	-	-
North Carolina.....	3,400	8,085	-	-
Ohio.....	-	11,125	-	-
Oklahoma.....	66	-	-	-
Virginia.....	237	-	-	-
Washington.....	2,138	-	-	-
Virgin Islands.....	148	-	-	-
Undistributed.....	-	-	\$142,470 <u>a/</u>	\$294,784 <u>a/</u>
Obligations.....	<u>7,787</u>	<u>19,493</u>	<u>142,470</u>	<u>294,784</u>

a/ Totals cannot be distributed at this time.

RURAL BUSINESS-COOPERATIVE SERVICE
Mandatory Rural Energy for America Program Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012	2013	2014	2015
	Actual Amount	Actual Amount	Estimate Amount	Estimate Amount
Alabama.....	\$117	\$135	-	-
Alaska.....	128	127	-	-
Arizona.....	135	255	-	-
Arkansas.....	218	573	-	-
California.....	260	818	-	-
Colorado.....	150	334	-	-
Connecticut.....	19	184	-	-
Delaware.....	76	-	-	-
Florida.....	222	355	-	-
Georgia.....	575	1,401	-	-
Hawaii.....	93	182	-	-
Idaho.....	529	704	-	-
Illinois.....	451	2,104	-	-
Indiana.....	924	1,996	-	-
Iowa.....	2,022	3,857	-	-
Kansas.....	712	435	-	-
Kentucky.....	174	1,024	-	-
Louisiana.....	113	220	-	-
Maine.....	161	391	-	-
Maryland.....	146	839	-	-
Massachusetts.....	333	242	-	-
Michigan.....	608	1,459	-	-
Minnesota.....	1,863	2,335	-	-
Mississippi.....	358	726	-	-
Missouri.....	247	1,384	-	-
Montana.....	132	209	-	-
Nebraska.....	365	1,726	-	-
Nevada.....	115	171	-	-
New Hampshire.....	569	192	-	-
New Jersey.....	589	321	-	-
New Mexico.....	136	339	-	-
New York.....	378	1,723	-	-
North Carolina.....	293	1,418	-	-
North Dakota.....	124	237	-	-
Ohio.....	552	1,367	-	-
Oklahoma.....	203	377	-	-
Oregon.....	177	464	-	-
Pennsylvania.....	382	1,113	-	-
Rhode Island.....	48	64	-	-
South Carolina.....	204	582	-	-
South Dakota.....	368	1,066	-	-
Tennessee.....	353	1,224	-	-
Texas.....	349	766	-	-
Utah.....	127	141	-	-
Vermont.....	942	181	-	-
Virginia.....	245	685	-	-
Washington.....	638	330	-	-
West Virginia.....	45	256	-	-
Wisconsin.....	497	1,140	-	-
Wyoming.....	11	52	-	-
Guam.....	-	46	-	-
Puerto Rico.....	92	310	-	-
Virgin Islands.....	99	209	-	-
Other Countries.....	-	503	-	-
Undistributed.....	-	-	\$31,194 a/	\$21,810 a/
Obligations.....	18,667	39,291	31,194	21,810

a/ Totals cannot be distributed at this time.

RURAL BUSINESS-COOPERATIVE SERVICE
Mandatory Rural Energy for America Program Feasibility Studies
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012	2013	2014	2015
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
	Amount	Amount	Amount	Amount
Alaska.....	-	\$72	-	-
Colorado.....	\$30	7	-	-
Connecticut.....	-	25	-	-
Hawaii.....	-	25	-	-
Idaho.....	120	82	-	-
Louisiana.....	8	-	-	-
Maine.....	2	-	-	-
Nevada.....	-	15	-	-
New Mexico.....	10	2	-	-
New York.....	-	6	-	-
Oregon.....	70	15	-	-
Rhode Island.....	-	3	-	-
South Carolina.....	12	3	-	-
South Dakota.....	-	34	-	-
Utah.....	65	-	-	-
Vermont.....	50	-	-	-
Washington.....	8	10	-	-
Wisconsin.....	14	-	-	-
Undistributed.....	-	-	\$1,000 <u>a/</u>	\$1,000 <u>a/</u>
Obligations.....	389	299	1,000	1,000

Mandatory Rural Energy for America Program Energy Audits and Technical Assistance
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012	2013	2014	2015
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
	Amount	Amount	Amount	Amount
Alaska.....	\$100	-	-	-
Arizona.....	100	-	-	-
Colorado.....	50	-	-	-
Florida.....	100	-	-	-
Georgia.....	100	-	-	-
Idaho.....	100	-	-	-
Kentucky.....	102	-	-	-
Maine.....	100	-	-	-
North Carolina.....	69	-	-	-
Wisconsin.....	59	-	-	-
Undistributed.....	-	-	\$2,500 <u>a/</u>	\$2,500 <u>a/</u>
Obligations.....	880	-	2,500	2,500

a/ Totals cannot be distributed at this time.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL ENERGY FOR AMERICA PROGRAM

Classification by Objects
(Dollars in thousands)

	2012	2013	2014	2015
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
41.0 Grants, subsidies, and contributions.....	<u>\$25,376</u>	<u>\$47,407</u>	<u>\$77,274</u>	<u>\$66,498</u>
99.9 Total new Obligations.....	<u>25,376</u>	<u>47,407</u>	<u>77,274</u>	<u>66,498</u>

Note: It includes mandatory and discretionary funding.

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), [~~\$26,050,000~~]\$16,087,000, of which [~~\$2,250,000~~]\$2,087,000 shall be for cooperative agreements for the appropriate technology transfer for rural areas program: *Provided*, That not to exceed \$3,000,000 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 [~~\$15,000,000~~]\$11,000,000, 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. 1632a).

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL COOPERATIVE DEVELOPMENT GRANTS

Lead-Off Tabular Statement

Budget Estimate, 2015.....	\$16,087,000
2014 Enacted.....	<u>26,050,000</u>
Change in Appropriation.....	<u><u>-9,963,000</u></u>

Summary of Increases and Decreases
(Dollars in thousands)

Program	2012 Actual	2013 Change	2014 Change	2015 Change	2015 Estimate
Discretionary Appropriations					
Rural cooperative development grants.....	\$5,800	+\$692	-\$692	-\$5,800	-
Appropriate technology transfer for rural areas agreements.....	2,250	-163	+163	-163	\$2,087
Grants to assist minority producers.....	3,000	+205	-205	-	3,000
Value-added agriculture product marketing development grants.....	10,500	-66	+816	-3,000	8,250
Agricultural marketing resource center grants.....	700	-4	+54	-200	550
Value-added agricultural product beginning & socially disadvantaged farmers & ranchers.....	1,400	-9	+109	-400	1,100
Value-added agricultural product marketing development mid-tier chains.....	1,400	-9	+109	-400	1,100
Total Discretionary Appropriations.....	<u>25,050</u>	<u>+646</u>	<u>+354</u>	<u>-9,963</u>	<u>16,087</u>
Mandatory Appropriations					
Value-added agriculture product marketing development grants.....	-	-	+47,250	-47,250	-
Agricultural marketing resource center grants.....	-	-	+3,150	-3,150	-
Value-added agricultural product beginning & socially disadvantaged farmers & ranchers.....	-	-	+6,300	-6,300	-
Value-added agricultural product marketing development mid-tier chains.....	-	-	+6,300	-6,300	-
Total Mandatory Appropriations.....	<u>-</u>	<u>-</u>	<u>+63,000</u>	<u>-63,000</u>	<u>-</u>
Total.....	<u><u>25,050</u></u>	<u><u>+646</u></u>	<u><u>+63,354</u></u>	<u><u>-72,963</u></u>	<u><u>16,087</u></u>

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL COOPERATIVE DEVELOPMENT GRANTS

Project Statement

Adjusted Appropriations Detail and Staff Years (SYs)

(Dollars in thousands)

Program	2012 Actual		2013 Actual		2014 Estimate		Inc. or Dec.		2015 Estimate	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Discretionary Appropriations:										
Rural cooperative development grants.....	\$5,800	-	\$6,492	-	\$5,800	-	-\$5,800	(1)	-	-
Appropriate technology transfer for rural areas agreements.....	2,250	-	2,087	-	2,250	-	-163	(2)	\$2,087	-
Grants to assist minority producers.....	3,000	-	3,205	-	3,000	-	-	(3)	3,000	-
Value-added agricultural product marketing development grants.....	10,500	-	10,434	-	11,250	-	-3,000	(4)	8,250	-
Agricultural marketing resource center grants.....	700	-	696	-	750	-	-200	(4)	550	-
Value-added agricultural product beginning & socially disadvantaged farmers & ranchers.....	1,400	-	1,391	-	1,500	-	-400	(4)	1,100	-
Value-added agricultural product marketing development mid-tier chains.....	1,400	-	1,391	-	1,500	-	-400	(4)	1,100	-
Subtotal.....	25,050	-	25,696	-	26,050	-	-9,963	-	16,087	-
Mandatory Appropriations:										
Value-added agricultural product marketing development grants..... c/	-	-	-	-	47,250	-	-47,250	-	-	-
Agricultural marketing resource center grants..... c/	-	-	-	-	3,150	-	-3,150	-	-	-
Value-added agricultural product beginning & socially disadvantaged farmers & ranchers..... c/	-	-	-	-	6,300	-	-6,300	-	-	-
Value-added agricultural product marketing development mid-tier chains..... c/	-	-	-	-	6,300	-	-6,300	-	-	-
Subtotal.....	-	-	-	-	63,000	-	-63,000	-	-	-
Total Adjusted Appropriations.....	25,050	16	25,696	38	89,050	35	-72,963	+7	16,087	42
Rescissions, Transfers, and Seq. (Net)..... a/ b/	-	-	2,010	-	-63,000	-	+63,000	-	-	-
Total Appropriation.....	25,050	16	27,706	38	26,050	35	-9,963	+7	16,087	42
Transfers In:										
Commodity Credit Corportion.....	-	-	-	-	63,000	-	-63,000	-	-	-
Subtotal.....	-	-	-	-	63,000	-	-63,000	-	-	-
Rescission..... a/	-	-	-750	-	-	-	-	-	-	-
Sequestration..... b/	-	-	-1,260	-	-	-	-	-	-	-
Bal. Available, SOY.....	41,295	-	16,417	-	13,857	-	-5,486	-	8,371	-
Recoveries, Other (Net).....	1,546	-	2,067	-	1,841	-	-1,841	-	-	-
Total Available.....	67,890	16	44,180	38	104,748	35	-80,290	+7	24,458	42
Bal. Available, EOY.....	-16,417	-	-13,857	-	-8,371	-	+8,371	-	-	-
Total Obligations.....	51,473	16	30,323	38	96,377	35	-71,919	+7	24,458	42

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL COOPERATIVE DEVELOPMENT GRANTS

Project Statement
Obligations Details and Staff Years (SYs)
(Dollars in thousands)

Program	2012 Actual		2013 Actual		2014 Estimate		Inc. or Dec.		2015 Estimate	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Discretionary Obligations:										
Rural cooperative development grants.....	\$5,800	-	\$6,492	-	\$5,800	-	-\$5,800	-	-	-
Appropriate technology transfer for rural areas agreements.....	2,250	-	2,087	-	2,250	-	-163	-	\$2,087	-
Grants to assist minority producers.....	3,000	-	3,205	-	3,000	-	-	-	3,000	-
Value-added agricultural product marketing development grants.....	33,560	-	16,768	-	19,113	-	-5,280	-	13,832	-
Agricultural marketing resource center grants.....	700	-	696	-	750	-	+904	-	1,654	-
Value-added agricultural product beginning & socially disadvantaged farmers & ranchers.....	4,273	-	611	-	1,500	-	+521	-	2,021	-
Value-added agricultural product marketing development mid-tier chains.....	644	-	350	-	579	-	+521	-	1,100	-
Subtotal.....	50,228	-	30,209	-	32,992	-	-9,297	-	23,695	-
Mandatory Obligations:										
Value-added agricultural product marketing development grants..... c/	706	-	64	-	47,635	-	-47,232	-	403	-
Agricultural marketing resource center grants..... c/	-	-	-	-	3,150	-	-2,917	-	233	-
Value-added agricultural product beginning & socially disadvantaged farmers & ranchers..... c/	114	-	-	-	6,300	-	-6,291	-	9	-
Value-added agricultural product marketing development mid-tier chains..... c/	424	-	50	-	6,300	-	-6,199	-	101	-
Value-added Innovation Center..... c/	-	-	-	-	-	-	16	-	16	-
Subtotal.....	1,245	-	114	-	63,385	-	-62,622	-	763	-
Total Obligations.....	51,473	16	30,323	38	96,377	35	-71,919	+7	24,458	42
Recoveries, Other (Net).....	-1,546	-	-2,067	-	-1,841	-	+1,841	-	-	-
Lapsing Balances.....	-	-	-	-	-	-	-	-	-	-
Unobligated balances rescinded.....	-	-	-	-	-	-	-	-	-	-
Bal. Available, EOY.....	16,417	-	13,857	-	8,371	-	-8,371	-	-	-
Total Available.....	66,345	-	42,113	-	102,907	-	-78,449	-	24,458	-
Rescission..... a/	-	-	750	-	-	-	-	-	-	-
Sequestration..... b/	-	-	1,260	-	-	-	-	-	-	-
Bal. Available, SOY.....	-41,295	-	-16,417	-	-13,857	-	+5,486	-	-8,371	-
Total Appropriation.....	25,050	16	27,706	38	26,050	35	-9,963	+7	16,087	42

Project Statement Footnotes

- a/ The rescission amounts are pursuant to the Consolidated and Further Continuing Appropriations Act, 2013, Public Law 113-6, signed March 26, 2013, including 2.513 percent rescission in accordance to section 3001(b)(1)(A) and .2 percent rescission in accordance to section 3004(c)(1).
- b/ The sequestration amounts are pursuant to the sequestration order signed by the President on March 1, 2013, in accordance to section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.
- c/ Mandatory funding provided by sections 6202 of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The Act provides \$15,000,000 from the funds of the Commodity Credit Corporation (CCC) for fiscal year 2009, to remain available until expended. In addition, funding provided by section 6203 of the Agricultural Act of 2014, Public Law 113-79, dated February 7, 2014. The Act provides funds from the Commodity Credit Corporation of \$63,000,000 for 2014, to remain available until expended.

Justification of Increases and Decreases

- (1) A decrease of \$5,800,000 for rural cooperative development grants (\$5,800,000 available in 2014).

A decrease of \$5,800,000 in the 2014 program level for the rural cooperative development grant (RCDG) program eliminates additional funding for this program. Applicants previously supported by this program will be able to compete for funding under the rural business and cooperative grant (RBCG) program.

- (2) A decrease of \$163,000 for appropriate technology transfer for rural areas agreements (\$2,250,000 available in 2014).

Base funds for the appropriate technology transfer for rural areas (ATTRA) continue to assist businesses. This project provides information to farmers and other rural users on a variety of sustainable agricultural practices that include both cropping and livestock operations. ATTRA is a partnership between the National Center for Appropriate Technology, a private nonprofit organization, and USDA Rural Business-Cooperative Service. This program supports USDA strategic goal by providing services that help farmers, ranchers, market gardeners, extension agents, researchers, educators, farm organizations, and others involved in agriculture, especially those who are economically disadvantaged or belong to traditionally underserved communities work within their community for sustainable agriculture.

In 2014, ATTRA will:

- deliver at least 13,000 research letters, technical publications, electronic media (CDs, DVDs, jump drives), illustrated guides, and other materials at no charge in response to client queries;
- provide at least two million ATTRA publications, resource lists and other educational resources that are read online or through downloads of HTML and PDF, multimedia presentations, and other educational media from the ATTRA website;
- maintain current website traffic rates of approximately 600,000 visits per year and two million page views per year, and maintain the quality of visits to our website by keeping the content fresh, high-quality, and up-to-date;
- complete 20 new or significantly updated publications or other educational materials on priority topics that meet continuing client demand;
- provide at least eight webinars which will reach at least 1,500 participants;
- organize, present, and/or facilitate presentations, workshops, field days or other speaking engagements in at least 25 locations across the U.S. attended by at least 15,000 people;
- monitor and communicate practical information about changes in Federal and regional agricultural programs, especially those changes affecting sustainable agriculture practices, local foods, marketing, and farm energy management that have a direct impact on our farmer, rancher, and Cooperative Extension clients; and
- partner with nongovernmental organizations and various USDA programs to implement collaborative educational services and program development activities related to sustainable agriculture.

In 2015, ATTRA will continue provides services as listed in 2014. The following assistance will be provided as well:

- Has nationwide reach and provides, on average, assistance to over 2,200,000 agricultural producers and businesses;
- Supports six regional offices to provide information and technical assistance one a wide array of agricultural topics; and
- It is the only national program that provides clients one-on-one technical assistance on sustainable agriculture and marketing.

A recent review of the program outcomes and impacts found the following:

- During 2013, ATTRA provided more than 40,000 responses to technical assistance requests.
- The ATTRA website received more than 1.3 million unique visitors and more than 3.3 million publications were downloaded or printed from the website;

- Workshops and presentations by ATTRA staff reached 2,000 attendees and its e-newsletter reached 13,000 subscribers each week.

(3) No change in funding for grants to small, socially disadvantaged producers (\$3,000,000 available in 2014).

In 2014, with program funding of \$3,000,000 this program anticipates assisting approximately 20 cooperatives or mutually owned businesses. The small, socially disadvantaged producer grants program (SDPG) provides technical assistance to 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 program supports the USDA strategic goal of assisting rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving. The budget request maintains the \$3 million for this program.

(4) A decrease of \$4,000,000 for value-added producer grants (\$15,000,000 available in 2014).

The value-added agriculture product market development 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. Further, through two reserve funds and priority scoring, the program emphasizes support of beginning and socially disadvantaged producers, small- and mid-size family farms, and mid-tier value chains. A portion of VAPG supports the Agricultural Marketing Resource Center (AgMRC) which is a virtual resource for producers seeking to enter a value added business. This program features prominently into two key areas of interest for the Secretary: renewable energy from agricultural biomass feed stocks; and development of local and regional food systems. Both of these in turn facilitate a third area of interest, agriculture's role in combating climate change. The program supports the USDA strategic goal of assisting rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving.

It is estimated that 105 producers will be assisted with the requested funds in 2015. The 2014 Farm Bill provides \$63 million in budget authority for this program. The funds are available until expended.

RURAL BUSINESS-COOPERATIVE SERVICE
Rural Cooperative Development Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	-	\$76	-	-
Alaska.....	\$175	200	-	-
California.....	350	276	-	-
Colorado.....	175	200	-	-
Hawaii.....	175	200	-	-
Illinois.....	-	200	-	-
Indiana.....	175	200	-	-
Iowa.....	175	-	-	-
Kentucky.....	175	200	-	-
Maryland.....	175	-	-	-
Massachusetts.....	175	200	-	-
Michigan.....	175	200	-	-
Minnesota.....	593	600	-	-
Mississippi.....	175	200	-	-
Missouri.....	96	-	-	-
Montana.....	317	393	-	-
Nebraska.....	175	200	-	-
North Carolina.....	243	200	-	-
North Dakota.....	350	400	-	-
Ohio.....	350	600	-	-
Oregon.....	-	147	-	-
Pennsylvania.....	175	200	-	-
South Dakota.....	175	200	-	-
Texas.....	175	200	-	-
Virginia.....	350	400	-	-
Washington.....	350	400	-	-
Wisconsin.....	350	400	-	-
Undistributed.....	-	-	\$5,800 <u>a/</u>	-
Obligations.....	5,800	6,492	5,800	-

Appropriate Technology Transfer Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Montana.....	\$2,250	\$2,087	-	-
Undistributed.....	-	-	\$2,250 <u>a/</u>	\$2,087 <u>a/</u>
Obligations.....	2,250	2,087	2,250	2,087

a/ Totals cannot be distributed at this time.

RURAL BUSINESS-COOPERATIVE SERVICE
 Grants to Assist Minority Producers
Geographic Breakdown of Obligations
 (Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Alabama.....		\$196	-	-
California.....	-	200	-	-
Colorado.....	\$114	-	-	-
Hawaii.....	-	152	-	-
Idaho.....	128	-	-	-
Illinois.....	-	154	-	-
Kentucky.....	-	103	-	-
Louisiana.....	108	-	-	-
Massachusetts.....	-	45	-	-
Michigan.....	168	-	-	-
Minnesota.....	-	375	-	-
Mississippi.....	163	985	-	-
Missouri.....	672	-	-	-
New Mexico.....	-	150	-	-
New York.....	142	110	-	-
North Carolina.....	-	196	-	-
North Dakota.....	173	-	-	-
South Carolina.....	-	216	-	-
South Dakota.....	642	200	-	-
Tennessee.....	175	-	-	-
Utah.....	175	-	-	-
West Virginia.....	166	-	-	-
Wyoming.....	175	-	-	-
Puerto Rico.....	-	124	-	-
Undistributed.....	-	-	\$3,000 <u>a/</u>	\$3,000 <u>a/</u>
Obligations.....	<u>3,000</u>	<u>3,205</u>	<u>3,000</u>	<u>3,000</u>

a/ Totals cannot be distributed at this time.

RURAL BUSINESS-COOPERATIVE SERVICE
Value-Added Agricultural Product Marketing Development Grants - Discretionary
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Alabama.....	\$90	\$50	-	-
Arizona.....	40	-	-	-
Arkansas.....	2,448	-	-	-
California.....	294	1,447	-	-
Colorado.....	-	517	-	-
Delaware.....	-	41	-	-
Florida.....	50	300	-	-
Georgia.....	1,659	1,200	-	-
Hawaii.....	126	207	-	-
Idaho.....	1,010	300	-	-
Illinois.....	\$317	300	-	-
Indiana.....	59	259	-	-
Iowa.....	866	263	-	-
Kansas.....	706	25	-	-
Kentucky.....	1,173	162	-	-
Louisiana.....	298	-	-	-
Maine.....	-	350	-	-
Maryland.....	1,217	206	-	-
Massachusetts.....	13	48	-	-
Michigan.....	975	900	-	-
Minnesota.....	1,299	1,227	-	-
Mississippi.....	458	44	-	-
Missouri.....	1,398	403	-	-
Montana.....	254	-	-	-
Nebraska.....	682	367	-	-
Nevada.....	-	24	-	-
New Hampshire.....	441	-	-	-
New Jersey.....	138	48	-	-
New Mexico.....	112	550	-	-
New York.....	1,705	255	-	-
North Carolina.....	1,034	315	-	-
North Dakota.....	99	-	-	-
Ohio.....	735	65	-	-
Oklahoma.....	341	300	-	-
Oregon.....	1,314	340	-	-
Pennsylvania.....	489	116	-	-
Rhode Island.....	-	150	-	-
South Carolina.....	43	783	-	-
South Dakota.....	18	300	-	-
Tennessee.....	178	300	-	-
Texas.....	528	395	-	-
Utah.....	645	19	-	-
Vermont.....	792	38	-	-
Virginia.....	1,486	1,607	-	-
Washington.....	647	1,162	-	-
West Virginia.....	49	45	-	-
Wisconsin.....	6,235	711	-	-
Wyoming.....	-	33	-	-
Guam.....	-	300	-	-
Puerto Rico.....	1,100	300	-	-
Undistributed.....	-	-	\$19,113 a/	\$13,832 a/
Obligations.....	33,560	16,768	19,113	13,832

a/ Totals cannot be distributed at this time.

RURAL BUSINESS-COOPERATIVE SERVICE
Value-Added Agricultural Marketing Resource Center Grants - Discretionary
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Iowa.....	\$700	\$696	-	-
Undistributed.....	-	-	\$750 <u>a/</u>	\$1,654 <u>a/</u>
Obligations.....	700	696	750	1,654

Value-Added Agricultural Product Market Development Grants - Beginners and Socially Disadvantaged Farmers
and Ranchers - Discretionary
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Arkansas.....	\$99	-	-	-
California.....	296	-	-	-
Georgia.....	386	-	-	-
Hawaii.....	140	-	-	-
Illinois.....	261	-	-	-
Maryland.....	40	\$50	-	-
Michigan.....	294	300	-	-
Minnesota.....	300	-	-	-
Missouri.....	97	-	-	-
New Jersey.....	260	-	-	-
New York.....	84	-	-	-
North Carolina.....	180	200	-	-
Oregon.....	70	61	-	-
Pennsylvania.....	52	-	-	-
South Carolina.....	100	-	-	-
South Dakota.....	300	-	-	-
Utah.....	239	-	-	-
Vermont.....	65	-	-	-
Virginia.....	337	-	-	-
Washington.....	88	-	-	-
West Virginia.....	584	-	-	-
Undistributed.....	-	-	\$1,500 <u>a/</u>	\$2,021 <u>a/</u>
Obligations.....	4,273	611	1,500	2,021

a/ Totals cannot be distributed at this time.

RURAL BUSINESS-COOPERATIVE SERVICE
Value-Added Agricultural Product Market Development Grants - Mid-Tier Chains - Discretionary
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Indiana.....	-	\$50	-	-
Iowa.....	\$231	-	-	-
Maine.....	27	-	-	-
New Jersey.....	33	-	-	-
Pennsylvania.....	35	300	-	-
Wisconsin.....	318	-	-	-
Undistributed.....	-	-	\$579 <u>a/</u>	\$1,100 <u>a/</u>
Obligations.....	644	350	579	1,100

Value-Added Agricultural Product Marketing Development Grants - Mandatory
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
California.....	-	\$53	-	-
Hawaii.....	\$28	-	-	-
Iowa.....	30	-	-	-
New York.....	37	-	-	-
Ohio.....	40	-	-	-
Oregon.....	150	-	-	-
South Carolina.....	300	-	-	-
Virginia.....	122	-	-	-
Wisconsin.....	-	11	-	-
Undistributed.....	-	-	\$47,635 <u>a/</u>	\$403 <u>a/</u>
Obligations.....	706	64	47,635	403

Value-Added Agricultural Marketing Resource Center Grants - Mandatory
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Undistributed.....	-	-	\$3,150 <u>a/</u>	\$233 <u>a/</u>
Obligations.....	-	-	3,150	233

a/ Totals cannot be distributed at this time.

RURAL BUSINESS-COOPERATIVE SERVICE
Value-Added Agriculture Product Marketing Development Grants To Socially Disadvantaged Farmers and
Ranchers - Mandatory
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Georgia.....	\$114	-	-	-
Undistributed.....	-	-	\$6,300 <u>a/</u>	\$9 <u>a/</u>
Obligations.....	114	-	6,300	9

Value-Added Agriculture Product Marketing Development Grants Mid Tier Chains - Mandatory
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Arkansas.....	-	\$50	-	-
Iowa.....	\$49	-	-	-
New York.....	75	-	-	-
Washington.....	300	-	-	-
Undistributed.....	-	-	\$6,300 <u>a/</u>	\$101 <u>a/</u>
Obligations.....	424	50	6,300	101

Value-Added Innovation Center - Mandatory
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Undistributed.....	-	-	-	\$16 <u>a/</u>
Obligations.....	-	-	-	16

a/ Totals cannot be distributed at this time.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL COOPERATIVE DEVELOPMENT GRANTS

Classification by Objects

(Dollars in thousands)

	2012	2013	2014	2015
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
41.0 Grants, subsidies, and contributions.....	\$51,473	\$30,323	\$96,377	\$24,458
99.9 Total, new obligations.....	<u>51,473</u>	<u>30,323</u>	<u>96,377</u>	<u>24,458</u>

NOTE: It includes mandatory and discretionary funding.

RURAL BUSINESS-COOPERATIVE SERVICE

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

Rural Business and Cooperative Grants

For the cost of grants to support projects that provide technical and financial assistance to assist small and emerging private businesses and cooperatives in rural areas based on a standard for private sector growth proposed by the grantee, \$57,500,000, which shall remain available until expended: *Provided*, That the Secretary shall establish minimum performance standards that a grantee's plan must meet to be eligible for assistance: *Provided further*, That if a grantee does meet the grantee's proposed standards for a fiscal year shall not be eligible for funding for the subsequent fiscal year: *Provided further*, That the Secretary will award additional points for projects that serve communities with exceptional needs as measured by socioeconomic indicators, as establish by the Secretary.

This change adds language for the Rural Business and Cooperative Grants program which is newly proposed in 2015.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL BUSINESS AND COOPERATIVE GRANTS

Lead-Off Tabular Statement

Budget Estimate, 2015.....	\$57,500,000
2014 Enacted.....	-
Change in Appropriation.....	<u>+57,500,000</u>

Summary of Increases and Decreases

(Dollars in thousands)

Program	2012 Actual	2013 Change	2014 Change	2015 Change	2015 Estimate
Discretionary Appropriations:					
Rural Business and Cooperative Grants.....	-	-	-	+\$57,500	\$57,500
Total.....	-	-	-	+57,500	57,500

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL BUSINESS AND COOPERATIVE GRANTS

Project Statement

Adjusted Appropriations Detail and Staff Years (SYs)

(Dollars in thousands)

Program	2012 Actual		2013 Actual		2014 Estimate		Inc. or Dec.		2015 Estimate	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Discretionary Appropriations:										
Rural Business and Cooperative Grants.....	-	-	-	-	-	-	+\$57,500 (1)	+2	\$57,500	2
Subtotal.....	-	-	-	-	-	-	+57,500	+2	57,500	2
Total Adjusted Approp.....	-	-	-	-	-	-	+57,500	+2	57,500	2
Total Appropriation.....	-	-	-	-	-	-	+57,500	+2	57,500	2
Total Available.....	-	-	-	-	-	-	+57,500	+2	57,500	2
Total Obligations.....	-	-	-	-	-	-	+57,500	+2	57,500	2

Justification of Increases and Decreases

(1) An increase of \$57,500,000 for rural business and cooperative grants (\$0 available in 2014).

The proposed rural business and cooperative grant program will benefit small and emerging private businesses and cooperatives in rural areas by providing grant and technical assistance for economic and community development. This proposed program consolidates the grant requirements for the rural business enterprise grant, rural business opportunity grant, rural cooperative development grant, rural community development initiative, and rural microenterprise assistance program grant. It will assist a wide range of recipients, including economic development organizations, business and community intermediaries, cooperatives, associations of cooperatives, universities, and tribes. To improve and unify the delivery of Rural Business-Cooperative Service (RBS) grant programs and to ensure that rural communities are self-sustaining, repopulating, and thriving economically, this proposed program will use an evidence based model in awarding funding where grantees must meet minimum performance targets that encourage private sector growth. By supporting evidence-based practices, the RBS anticipates that this program will increase the number of jobs created and saved. By creating the new grant program, the agency intends to streamline its grant processes and programs and make them evidence based, which will improve the efficiency and effectiveness of agency grant process. The 2015 budget proposes the program level of \$57.5 million, which is anticipated to assist in creating/saving 13,903 jobs and assisting 10,054 businesses and economic development entities.

This program may assist with business development by funding a broad array of activities. The program promotes the creation of small and emerging rural businesses by assisting them with technical assistance, securing capital, financing start-up or expansion, and creating jobs, which helps diversify the rural economy. Priority is given to projects serving low-income small rural communities with high unemployment rates.

The establishment of this program is critical because:

- It supports a variety of purposes and activities serving local and regional-based projects in rural areas and
- It assists rural small and emerging businesses, which lack access to adequate financial and technical resources.

The program supports USDA Strategic Goal by assisting rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving. 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 program provides grant funds involving purchase and improvement of land and real estate, equipment purchases and personnel costs to carry out the project's scope of work. The duration of individual projects is generally one to three years.

Rural Development anticipates that the partnerships and collaborations present in the individual programs will carry over to the consolidated Business and Cooperative grant program. Potential partnerships will include: Public entities (towns, communities, State agencies, and authorities), nonprofit corporations, Indian tribes, institutions of higher education, and rural cooperatives.

The proposal to consolidate certain business grant programs is consistent with the newly enacted 2014 Farm Bill, which consolidates rural business enterprise grants and rural business opportunity grants. This program is also available to support the Strike Force and Promised Zones initiatives.

RURAL BUSINESS-COOPERATIVE SERVICE
Rural Business and Cooperative Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	<u>2012 Actual</u> Amount	<u>2013 Actual</u> Amount	<u>2014 Estimate</u> Amount	<u>2015 Estimate</u> Amount
Undistributed.....	-	-	-	\$57,500 ^{a/}
Obligations.....	-	-	-	57,500

^{a/} Totals cannot be distributed at this time.

Classification by Objects
(Dollars in thousands)

	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
41.0 Grants, subsidies, and contributions.....	-	-	-	\$57,500
99.9 Total, new obligations.....	-	-	-	57,500

RURAL BUSINESS-COOPERATIVE SERVICE
SOUTHWEST BORDER REGIONAL COMMISSION

Lead-Off Tabular Statement

Budget Estimate, 2015.....	\$2,000,000
2014 Enacted.....	-
Change in Appropriation.....	<u>+2,000,000</u>

Summary of Increases and Decreases
(Dollars in thousands)

Program	2012 Actual	2013 Change	2014 Change	2015 Change	2015 Estimate
Discretionary Obligations:					
Southwest Border Regional Commission.....	-	-	-	+\$2,000	\$2,000
Total.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>+2,000</u>	<u>2,000</u>

RURAL BUSINESS-COOPERATIVE SERVICE

SOUTHWEST BORDER REGIONAL COMMISSION

Project Statement

Adjusted Appropriations Detail and Staff Years (SYs)

(Dollars in thousands)

Program	<u>2012 Actual</u>		<u>2013 Actual</u>		<u>2014 Estimate</u>		<u>Inc. or Dec.</u>		<u>2015 Estimate</u>	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Discretionary Appropriations:										
Southwest Border Regional Commission.....	-	-	-	-	-	-	+\$2,000 (1)	-	\$2,000	-
Subtotal.....	-	-	-	-	-	-	+2,000	-	2,000	-
Total Adjusted Approp.....	-	-	-	-	-	-	+2,000	-	2,000	-
Total Appropriation.....	-	-	-	-	-	-	+2,000	-	2,000	-
Total Available.....	-	-	-	-	-	-	+2,000	-	2,000	-
Total Obligations.....	-	-	-	-	-	-	+2,000	-	2,000	-

Justification of Increases and Decreases

- (1) An increase of \$2,000,000 for Southwest Border Regional Commission (\$0 available in 2014).

The funding will be used for necessary expenses of the Southwest Border Regional Commission in carrying out activities authorized by subtitle V of title 40, United States Code.

The Southwest Border Regional Commission (SWBRC), authorized by the Food, Conservation, and Energy Act of 2008, P.L. 110-234, was established as a Federal-State partnership to provide a comprehensive approach to addressing persistent economic distress in the northern border region covering portions of Arizona, California, New Mexico, and Texas. SWBRC helps coordinate Federal efforts to develop the basic building blocks for economic development, such as transportation and basic public infrastructure, job skills training, and business development.

The program supports USDA Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving.

RURAL BUSINESS-COOPERATIVE SERVICE
Southwest Border Regional Commission
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	<u>2012</u> <u>Actual</u> Amount	<u>2013</u> <u>Actual</u> Amount	<u>2014</u> <u>Estimate</u> Amount	<u>2015</u> <u>Estimate</u> Amount
Undistributed.....	-	-	-	\$2,000
Obligations.....	-	-	-	2,000

a/ Totals cannot be distributed at this time.

Classification by Objects
(Dollars in thousands)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>	<u>2014</u> <u>Estimate</u>	<u>2015</u> <u>Estimate</u>
41.0 Grants, subsidies, and contributions.....	-	-	-	\$2,000
99.9 Total, new obligations.....	-	-	-	2,000

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES GRANTS

Project Statement
Adjusted Appropriations Detail and Staff Years (SYs)
(Dollars in thousands)

Program	2012	2013	2014	Inc. or Dec. Amount	2015
	Actual	Actual	Estimate		Estimate
	Amount	Amount	Amount		Amount
Discretionary Appropriations:					
Rural empowerment zones and enterprise communities grants.....	-	-	-	-	-
Subtotal.....	-	-	-	-	-
Bal. Available, SOY.....	\$33	\$33	\$33	-	\$33
Total Available.....	33	33	33	-	33
Bal. Available, EOY.....	-33	-33	-33	-	-33
Total Obligations.....	-	-	-	-	-

RURAL BUSINESS-COOPERATIVE SERVICE

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

Rural Business Investment Program

For loans and grants for the rural business investment program, as authorized by section 384F(b)(3)(A) of the Consolidated Farm and Rural Development Act, \$6,000,000, to remain available until expended.

This change adds language for the Rural Business Investment Program which funding is requested in 2015.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL BUSINESS INVESTMENT PROGRAM

Lead-Off Tabular Statement

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>
Budget Estimate, 2015.....	\$39,254,000	\$4,000,000	\$2,000,000
2014 Enacted.....	-	-	-
Change in Appropriation.....	<u>+39,254,000</u>	<u>+4,000,000</u>	<u>+2,000,000</u>

Summary of Increases and Decreases
(Dollars in thousands)

<u>Program</u>	<u>2012 Actual</u>	<u>2013 Change</u>	<u>2014 Change</u>	<u>2015 Change</u>	<u>2015 Estimate</u>
Discretionary Appropriations:					
Rural business investment program guaranteed loans.....	-	-	-	+\$4,000	\$4,000
Rural business investment programs grants.....	-	-	-	+2,000	2,000
Total.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>+6,000</u>	<u>6,000</u>

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL BUSINESS INVESTMENT PROGRAM

Project Statement

Adjusted Appropriations Detail and Staff Years (SYs)

(Dollars in thousands)

Program	2012 Actual		2013 Actual		2014 Estimate		Inc. or Dec.		2015 Estimate	
	Program Level	Budget Authority								
Discretionary Appropriations:										
Rural business investment program guaranteed loans.....	-	-	-	-	-	-	+\$39,254 (1)	+\$4,000 (3)	\$39,254	\$4,000
Rural business investment programs grants.....	-	-	-	-	-	-	+2,000	+2,000 (2)	2,000	2,000
Subtotal.....	-	-	-	-	-	-	+41,254	+6,000	41,254	6,000
Total Adjusted Approp.....	-	-	-	-	-	-	+41,254	+6,000	41,254	6,000
Total Appropriation.....	-	-	-	-	-	-	+41,254	+6,000	41,254	6,000
Total Available.....	-	-	-	-	-	-	+41,254	+6,000	41,254	6,000
Total Obligations.....	-	-	-	-	-	-	+41,254	+6,000	41,254	6,000

Justification of Increases and Decreases

- (1) An increase of \$39,254,000 for the rural business investment program loans (\$0 available in 2014).

The rural business investment program (RBIP) guaranteed loan program promotes economic development in rural areas by helping to meet the equity capital investment needs of smaller enterprises located in such areas. USDA licenses newly formed for-profit investment fund entities as Rural Business Investment Company's (RBIC's). RBIC's use the equity raised in capitalizing their fund to make equity, and equity-like, investments mostly in smaller enterprises located primarily in rural areas. RBIP is administered in partnership with the Small Business Administration (SBA). The program is administered within the Specialty Programs Division at current staff levels with the administrative costs being assumed within the existing salaries and expense budget.

In 2015, there is \$39,254,000 in available RBIP guaranteed loans, or debentures, which will enable USDA to license one or more leveraged RBICs, and, when combined with their private equity match requirement, will provide approximately \$59,000,000 in total capital for investments in mostly smaller enterprises in rural America over the life of the funds, and help create/save approximately 5,000 jobs.

The program supports USDA Strategic Plan Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving.

- (2) An increase of \$2,000,000 for the rural business investment program grants (\$0 available in 2014).

Operational Assistance grants will be used by the Rural Business Investment Company (RBIC) to provide management, marketing, and other technical assistance that assists a Smaller Enterprise with its business development, and indirectly supports the RBIC's capital investment in the enterprise.

The program supports USDA Strategic Plan Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving.

- (3) An increase of \$4,000,000 for the rural business investment program loan subsidy (\$0 available in 2014).

The 2015 budget requests \$4 million in budget authority. This level of funding will support \$39.3 million in guaranteed loans.

RURAL BUSINESS-COOPERATIVE SERVICE
Rural Business Investment Program Guaranteed Loans
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual Amount	2013 Actual Amount	2014 Estimate Amount	2015 Estimate Amount
Undistributed.....	-	-	-	\$39,254 ^{a/}
Obligations.....	-	-	-	39,254

Rural Business Investment Program Grants
Geographic Breakdown of Obligations
(Dollars in thousands)

State/Territory	2012 Actual Amount	2013 Actual Amount	2014 Estimate Amount	2015 Estimate Amount
Undistributed.....	-	-	-	\$2,000 ^{a/}
Obligations.....	-	-	-	2,000

^{a/} Totals cannot be distributed at this time.

Classification by Objects
(Dollars in thousands)

	2012 Actual	2013 Estimate	2014 Estimate	2015 Estimate
41.0 Grants, subsidies, and contributions.....	-	-	-	\$6,000
99.9 Total, new obligations.....	-	-	-	6,000

RURAL BUSINESS-COOPERATIVE SERVICE

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

Healthy Foods, Healthy Neighborhoods Initiative

For necessary expenses of the Secretary to support projects that provide access to healthy food in underserved areas, to create and preserve quality jobs, and to revitalize low-income communities, \$13,000,000, to remain available until expended, for the cost of loans and grants that is consistent with Section 4206 of the Agricultural Act of 2014: *Provided*, That up to \$750,000 may be used for Federal administrative expenses necessary to carry out the program and shall be paid to the appropriation for "Rural Development, Salaries and Expenses".

This change adds language for the Healthy Foods, Healthy Neighborhoods Initiative which the 2015 budget requests funding.

RURAL BUSINESS-COOPERATIVE SERVICE

HEALTHY FOOD FINANCING INITIATIVE

Lead-Off Tabular Statement

Budget Estimate, 2015.....	\$13,000,000
2014 Enacted.....	-
Change in Appropriation.....	<u><u>+13,000,000</u></u>

Summary of Increases and Decreases

(Dollars in thousands)

	2012				
	Actual	2013 Change	2014 Change	2015 Change	2015 Estimate
Discretionary Appropriations:					
Rural Business and Cooperative Grants.....	-	-	-	+\$12,250	\$12,250
Administrative Expenses.....	-	-	-	+750	750
Subtotal.....	-	-	-	+13,000	13,000
Total.....	-	-	-	+13,000	<u><u>13,000</u></u>

RURAL BUSINESS-COOPERATIVE SERVICE

HEALTHY FOOD FINANCING INITIATIVE

Project Statement

Adjusted Appropriations Detail and Staff Years (SYs)
(Dollars in thousands)

Program	2012 Actual		2013 Actual		2014 Estimate		Inc. or Dec.		2015 Estimate	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
Discretionary Appropriations:										
Healthy Food Financing Initiative.....	-	-	-	-	-	-	+\$12,250 (1)	-	\$12,250	-
Administrative Expenses.....	-	-	-	-	-	-	+750	-	750	-
Subtotal.....	-	-	-	-	-	-	+13,000	-	13,000	-
Total Adjusted Approp.....	-	-	-	-	-	-	+13,000	-	13,000	-
Total Appropriation.....	-	-	-	-	-	-	+13,000	-	13,000	-
Total Available.....	-	-	-	-	-	-	+13,000	-	13,000	-
Total Obligations.....	-	-	-	-	-	-	+13,000	-	13,000	-

Justification of Increases and Decreases

- (1) An increase of \$12,250,000 for healthy foods, healthy neighborhoods initiative (\$0 available in 2014).

The 2015 budget provides funding for a multi-year Healthy Foods, Healthy neighborhoods initiative (HFHNI) that will increase the availability of affordable, healthy foods in underserved rural communities to create and preserve quality jobs and revitalize low-income communities, particularly through the development or equipping of grocery stores and other healthy food retailers. For this initiative, the Department of Agriculture will make available \$13 million in financial and technical assistance to community development financial institutions, other nonprofits, public agencies, and businesses with sound strategies for addressing the healthy food needs of communities. These organizations will use Federal grants, below-market rate loans, loan guarantees and tax credits to attract private sector capital for an even greater investment in projects that increase access to fresh produce and other healthy foods. The goal is to support efforts to provide access to healthy foods in underserved areas, to create and preserve quality jobs, and to revitalize low-income communities.

RD will work in close coordination with USDA's Food and Nutrition Service and Agricultural Marketing Service. Working with its Federal partners, RD will expand healthy food access for families participating in the Supplemental Nutrition Assistance Program (SNAP). The vast majority of SNAP participants are children, elderly or adults living in households where members are employed in low-wage jobs.

The funds will be targeted to severely underserved low- and moderate-income communities. Most often low-income communities are less attractive, under the conventional financing, to retailers of healthy food. However, effective local programs have shown that well-targeted financing and technical assistance can create viable business outcomes and access to healthier foods and create new markets for farmers, but also create jobs and support broader development efforts to revitalize distressed communities.

Through loans, grants and technical assistance, RD can provide assistance to low- and moderate-income communities for supporting market planning and promotion efforts as well as infrastructure and operational improvements designed to stimulate consumer demand, enhance marketing, expand demand and retail outlets for farm products, and increase availability of locally and regionally produced foods.

Of the requested funds, \$750,000 will be transferred to RD salaries and expenses in support of delivering the program.

RURAL BUSINESS-COOPERATIVE SERVICE
 Healthy Food Financing Initiative
Geographic Breakdown of Obligations
 (Dollars in thousands)

State/Territory	2012	2013	2014	2015
	Actual	Actual	Estimate	Estimate
	Amount	Amount	Amount	Amount
Undistributed.....	-	-	-	\$12,250 ^{a/}
Obligations.....	-	-	-	12,250

^{a/} Total cannot be distributed at this time.

HEALTHY FOOD FINANCING INITIATIVE
Classification by Objects
 (Dollars in thousands)

		2012	2013	2014	2015
		Actual	Actual	Estimate	Estimate
25.0	Other purchases of goods and services				
	from government accounts.....	-	-	-	\$750
41.0	Grants, subsidies, and contributions.....	-	-	-	12,250
99.9	Total, new obligations.....	-	-	-	13,000

RURAL BUSINESS-COOPERATIVE SERVICE

STATUS OF PROGRAMS

Current Activities: The Rural Business-Cooperative Service 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. Transitioning program delivery 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 2013, RD issued 357 B&I loan guarantees totaling \$939.34 million, assisting 410 rural businesses, and creating and saving 12,669 jobs.

RD provided a \$2.9 million B&I Loan Guarantee to purchase machinery and equipment, and construct a new 15,000 square foot production facility for a start-up moonshine distillery in rural Cannon County, Tennessee. The business was founded in 2012 and began production in April of that year. Production capacity is 100-200 gallons per week using a 100 gallon still and another 30 gallon still. After the loan, capacity will increase with the purchase on two 2,000 gallon stills, which will increase production tenfold. The business employs 4 rural residents at this time and will hire an additional 3 employees as a result of the loan.

In 2013, RD in partnership with mBank, provided Manistique Paper Incorporated (MPI) Acquisitions with a \$2 million B&I guaranteed loan to purchase the equipment. MPI Acquisition is one of North America's premier producers of 100 per cent recycled fiber content. They produce specialty offset papers for printers and converters. Manistique's products are used extensively for commercial printing and book printing as well as food service applications, business papers and envelope converting. Manistique Papers prides itself into turning today's immense flow of wastepaper away from our nation's landfills and into quality paper products. This is the second time RD has assisted MPI Acquisitions. In 2012, MPI Acquisitions purchased the company with \$7 million in B&I guaranteed loans. At the time the company had 119 employees. They have now grown to 150 and this project is expected to add another 4.

The Manistique mill is looking to improve the strength and appearance of their various grades of paper and the two machine components being purchased with the proceeds from a B&I Guaranteed Loan are essential in that process. The new refining and dispersion unit will provide the company with the ability to produce enhanced Brown Paper packaging grade products. In addition, the unit will provide improved packaging and writing quality grades, reduce material costs, improve paper machine efficiency and reduce quality claims (returned product). The overall process of refining and dispersion helps to soften and brush the paper making fibers to improve their qualities. This is in Manistique Paper's market as they are using recycled fibers, which are already weak to begin with. It also allows them to produce a "higher margin" grade of the Kraft paper products and further expand their presence in this market. The Manistique mill is one of the only mills in the world that does not already have this system currently in place.

Rural Energy for America Program:

In 2013, the Rural Energy for America Program (REAP) funded 1,422 projects totaling \$39.6 million in grants and \$32.6 million in loan guarantees (with \$7.8 budget authority). The Renewable Energy System and Energy Efficiency Improvements Program of REAP funded 3 projects with \$13 million in discretionary loan guarantee funding (\$3.1 million in budget authority) and 1,419 projects with \$59 million in mandatory funds (\$39.6 million grants, \$19.5 million in loans; \$4.7 million in budget authority). REAP awarded 1,413 grants totaling \$38.9 million, 4 combination loans and grants amounting to \$3.1 million, and 5 guaranteed loans for \$30.1 million. Included among the grant awards were 19 Feasibility Study grants totaling \$289,589. When operational, the 2013 REAP projects are expected to generate/save approximately 2,354 million kilowatt hours (kWh).

Enginuity Worldwide LLC in Columbia, Missouri, received a \$500,000 renewable energy systems grant to install/construct a solid fuel production facility to provide torrefied woody biomass, energy grasses, and crop residue to fuel an electric utility, Columbia Water and Light. Enginuity's solid fuel product, eCARB biomass fuel provides "base load" power, coal replacement, from renewable biomass. When operational, the facility is expected to produce the fuel equivalent of 45.4 million kilowatt hours per year.

Salmon River Electric Cooperative in Challis, Idaho, received \$23,750 toward a \$95,000 feasibility study to assess the economic viability of a 200 kilowatt biomass gasification system to generate renewable power from municipal solid waste.

Intermediary Relending Program:

In 2013, 26 loans totaling \$17.4 million were awarded to intermediaries to establish revolving loan funds to assist an estimated 592 businesses to create or save 13,326 jobs.

RD awarded a \$750,000 loan through the Intermediary Relending Program to the Justine Petersen Housing and Reinvestment Corporation, a community development and investment firm in St. Louis to establish a revolving, low-interest loan fund for small businesses in rural areas throughout Missouri. The projects assisted through the loan fund are expected to create more than 130 jobs.

RD awarded a \$500,000 loan through the Intermediary Relending Program to Neighborhood Development Services, Incorporated in Portage, Ohio to provide low-interest loans to public and nonprofit organizations to relend for business and community development. Businesses assisted will be from eligible areas of Summit and Portage Counties.

Rural Microentrepreneur Assistance Program:

A total of \$1.2 million in annual technical assistance grants was obligated for this program in 2013 to 32 Rural Microentrepreneur Assistance program (RMAP) Microenterprise Development Organizations (MDOs) to support the development and ongoing success of rural microentrepreneurs and microenterprises. The following examples demonstrate the use of RMAP funds provided to MDOs to fund projects in rural areas:

Two organizations in Maine received funding through RMAP. Northern Maine Development Commission was awarded an \$83,171 grant and the Androscoggin Valley Council of Governments received a \$38,892 grant. Generally, these MDOs are automatically eligible to receive technical assistance grants to provide technical assistance and training to microentrepreneurs that have received or seeking a microloan under the RMAP. For instance, Androscoggin Valley Council of Governments has made \$301,516 micro loans from its RMAP revolving loan fund assisting 7 micro businesses in creating and saving 27 jobs. Northern Maine Development Commission has made \$519,300 microloans assisting 16 micro businesses in creating and saving 62 jobs. These microlenders must capitalize no more than 75 percent of the agency's RMAP loan funds and not less than 25 percent non-Federal funds; thereby allowing the microlender to finance 100 percent of the microborrower's eligible project costs.

Rural Economic Development Loan and Grant Program:

In 2013, 58 Rural Economic Development Loans totaling \$49.3 million and 35 Rural Economic Development Grants totaling \$9.98 million were made to qualifying utilities assisting 127 businesses and creating or saving 2,972 jobs.

Dakota Valley Electric Cooperative, Incorporated, North Dakota, received a \$1 million loan. These funds will be reloaned to rural business and used to purchase equipment to process molasses byproduct into granulated sugar and other products used in pharmaceuticals, food, and animal feed. The business is estimating that the project will created 20 new jobs.

Midwest Energy, Incorporated, Kansas, received a \$167,000 economic development grant to capitalize a revolving loan fund. The initial loan from the funds will be used to finance an addition to the fire station in Grainfield, Kansas. The addition will include four bays, a training room, an office, restrooms with showers, and a mechanical area. Expanding the facility will ensure that Grainfield's firefighters have adequate space and equipment to respond to emergencies within its more than 115-square-mile service area.

Rural Business Opportunity Grant Program:

In 2013, the 42 grants awarded to residents and businesses in 21 states totaled \$2.9 million and created or saved more than 553 jobs.

The Center for Technology and Business in Bismarck, North Dakota, will use a \$25,000 grant to help business owners in Bowman and Dickinson master the use of web applications, social media and other online information technology for their business operations.

The Muscogee Nation in Oklahoma will use \$100,000 to provide leadership and board training for the newly established Mvskoke Loan Fund Board of Directors and the Executive Director as well as provide business development services to tribal entrepreneurs in the 11-county service area of the Muscogee Nation.

Rural Business Enterprise Grant Program:

In 2013, 383 grants were awarded, totaling \$22.8 million. These grants assisted 7,236 businesses in creating and saving 11,749 jobs.

The City of Brownsville, Tennessee, used a \$42,454 grant along with a \$45,436 matching contribution to assist with the construction of a farmer's market. The addition of a farmer's market will help strengthen agricultural economics and have a huge impact on one of the highest unemployment and poverty areas in the State. The project will assist 5 businesses and create 6 jobs.

The Artspace Projects, Inc., in North Dakota, received a \$97,522 grant for a Rural Economic Area Partnership funds along with a \$50,000 matching contribution to provide technical assistance and training to the Turtle Mountain Tribal Arts Association, Native American artisan small and emerging businesses and individual Native American artisan entrepreneurs from the Turtle Mountain Band of Chippewa Indians.

Multiple Choices for Independent Living, Incorporated, in Georgia, received a \$48,312 grant to be used to provide technical assistance and training for persons with disabilities in the formation of a grower cooperative specializing in organic seedling production.

Value Added Producer Grant Program:

In 2013, the Value-Added Producer Grant Program awarded \$17.8 million. These grants assisted 114 producers in 44 States and Puerto Rico.

Lower Brule Farm Corporation, owned and operated by the Lower Brule Sioux Tribe, and located on the Missouri River in central South Dakota, received a \$300,000 working capital grant to advance the Lakota Foods private label and vertical integration of processing, packaging and marketing for their branded yellow and white popcorn, including raw kernel, flavored, ready-to-eat, and microwave ready.

Snowdance Farm, located in Livingston Manor, New York, received a \$10,125 planning grant to conduct independent feasibility and market studies, research USDA requirements for processing and selling meat products via retail venues, and develop a business plan for a new charcuterie business venture for cold processed meats, hot dogs, sausages, and pate. The farm produces natural, pasture-raised meats and poultry.

Grow Guam, LLC, a beginning farmer operation based out of Mangilao, Guam, received a \$300,000 working capital grant to reach new markets, implement food safety and quality assurance practices, and acquire a new inventory management accounting system for a hydroponic lettuce, vegetable, and fruit operation on 3 hectares of agriculturally-zoned land within the Guam sole source aquifer.

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 2013 was \$700,000, all of which was awarded.

Rural Cooperative Development Grants Program:

In 2013, grants totaling approximately \$6.5 million were made to 34 centers. These centers work with and supported new cooperative businesses. In 2013 these centers assisted more than 110 small businesses and cooperatives. Among the successful applicants were:

The Community and Shelter Assistance Corporation in Sherwood, Oregon, received a \$147,200 grant to help farmers, ranchers, and rural small businesses in underserved communities to build affordable housing and neighborhood facilities.

Western Illinois University, Macomb, Illinois, received a \$199,871 grant to conduct outreach on renewable energy and bio-based products, among other projects. It also will help build statewide capacity for cooperatives.

Appropriate Technology Transfer to Rural America:

The Appropriate Technology Transfer to Rural America (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 2013, \$2.1 million was obligated to fund ATTRA.

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 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 across the United States.

Small Socially-Disadvantaged Producer Grants Program:

The Small Socially-Disadvantaged Producer Grants (SSDPG) program provides grants to cooperatives, groups of cooperatives, and cooperative development centers to provide technical assistance to small socially disadvantaged producers. In 2013, the SSDPG Program awarded \$3.2 million in grants to 20 organizations that assisted socially disadvantaged producers.

North Delta Producer Growers Association in Marks, Mississippi, received \$185,000 to provide technical assistance to transfer the management and operation of the Alcorn State University vegetable processing facility to the cooperative. The SSDPG award will assist the cooperative in becoming the owner-operator of the processing facility having a direct impact on 250 vegetable farmers in expanding their marketing opportunities. A successful venture may serve as a replicable model for other areas in the State.

The Cooperative Development Institute in Massachusetts will use \$45,193 to engage partner organizations in Vermont, New Hampshire, and Maine in cooperative development training and technical assistance to 70 small, socially disadvantaged producer immigrant, refugee farmers from Bhutan, Somalia, Burundi, Sudan, and the Congo.

RURAL BUSINESS - COOPERATIVE SERVICE

Summary of Budget and Performance
Statement of Department Goals and Objectives

The mission of the rural development business and cooperative programs (RBCP) 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."

RBCP has one strategic goal and two strategic objectives that contribute to one of the Secretary’s Strategic Goal.

USDA Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating and economically thriving.

Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcome
<p>Agency Goal 1: Increase economic opportunity in Rural America</p>	<p>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 Grants Rural Business and Cooperative Grants</p> <p>Biorefinery Assistance Program Bioenergy Program for Advanced Biofuels Rural Microenterprise Assistance Program</p>	<p>Enhanced capital formation and opportunities provided to agricultural producers and rural businesses</p>
	<p>Provide new opportunities for agricultural producers</p>	<p>Value Added Producer Grants</p>	

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

Key Performance Measures and Targets:

RBCP 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 2015 Budget provides a funding level for BCP business development, energy, and technical assistance programs that will allow USDA to create and save an estimated 43,772 jobs.

The key goals discussed below will measure the agency’s performance and its support of one of the USDA’s strategic goals.

Number of Jobs Created and Saved							
	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Target	2015 Target
Number	68,185	68,894	64,935	52,468	44,419	48,672	43,772
Program Level	\$1,093,000	\$1,437,000	\$1,490,025	\$1,151,738	\$1,044,591	\$1,049,632	\$794,709

Selected Past Accomplishments toward Achievement of Key Outcome:

The 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 2013, obligated 357 loans, totaling \$939.34 million resulting in creating or saving an estimated 12,922 jobs.

Biorefinery assistance program accomplishments include:

- Provided loan guarantees to viable commercial-scale facilities.
- Awarded \$772 million since program inception.
- These projects produce 93 million gallons of advanced biofuel, generate 25,000 kWh of renewable energy, and redeem 3.2 million metric tons 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 2013, the IRP program assisted 592 businesses and created 13,326 jobs in rural America.

The 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.
- In 2013, a total of 120 grants were awarded totaling approximately \$18.4 million.

Selected Accomplishments Expected at the FY 2015 Proposed Resource Level:

RBCP will create over 37,421 jobs in 2015.

The business & industry guaranteed loan program accomplishments include:

- With a \$30.19 million budget authority in 2015, the B&I program will support a program level of approximately \$590.802 million.
- This level of funding will support creating and saving an estimated 7,968 jobs and assisting/creating and or saving approximately 258 businesses in 2015.

The rural energy for America program (REAP) accomplishments include:

- In 2015, a budget authority of \$10 million will support a program level of approximately \$47.3 million and \$5 million in grants.
- The anticipated benefits include 1,113 millions of kWh electricity generated with alternative energy sources, displacing 1.1 million metric tons of carbon emissions.

The intermediary relending program (IRP) accomplishments include:

- Based on an analysis of historical program data, it is anticipated that the \$10 million proposed program level in 2015 would create/save an estimated 7,575 jobs.

The rural business and cooperative grants accomplishments include:

- In 2015, the \$57.5 million in funding will support creating and saving an estimated 13,903 jobs and assisting/creating and or saving approximately 10,054 businesses and economic development entities.

The section 6023 rural microentrepreneur assistance program accomplishments include:

- In 2015, the budget will support a program level of \$25.7 million in loans creating or saving approximately 3,300 jobs.

RURAL BUSINESS- COOPERATIVE SERVICE
Strategic Goal and Objectives Funding Matrix
(Dollars in thousands)

Program / Program Items	2012 Actual	2013 Actual	2014 Estimate	Inc. or Dec.	2015 Estimate
USDA Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving.					
Program Level.....	\$1,741,731	\$1,195,863	\$1,561,415	-\$270,598	\$1,290,817
Staff Years.....	518	542	525	+84	609
Total Costs, Strategic Goal.....	1,741,731	1,195,863	1,561,415	-270,598	1,290,817
Total Staff Years, Strategic Goal.....	518	542	525	84	609

RURAL BUSINESS-COOPERATIVE SERVICE

Full Cost by Department Strategic Goal

(Dollars in thousands)

Department Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving

	2012	2013	2014	2015
Rural Business programs:	Actual	Actual	Estimate	Estimate
<u>Guaranteed Business and Industry Loans and Rural Business</u>				
<u>Investment Program Loans</u>				
Program Level.....	\$1,052,955	\$939,340	\$958,097	\$632,056
Budget Authority.....	58,888	55,233	66,971	36,190
Administrative costs (direct).....	29,951	14,849	15,023	16,484
Indirect costs.....	14,094	6,988	7,069	7,758
Total Costs.....	102,933	77,070	89,063	60,432
FTEs.....	349	165	161	185
Performance Measure:				
Jobs created/saved.....	21,750	12,669	12,922	6,518
Cost per measure (unit cost).....	4.73	6.08	6.89	9.27
<u>NADBank Guaranteed Business and Industry Loans</u>				
Budget Authority.....	-	99	-	-
Administrative costs (direct).....	-	524	530	582
Indirect costs.....	-	247	249	274
Total Costs.....	-	870	779	856
FTEs.....	-	6	6	7
Performance Measure:				
Jobs created/saved.....	-	NA	NA	NA
<u>Rural Business Enterprise Grants</u>				
Program Level.....	25,503	25,666	27,318	-
Budget Authority.....	25,503	25,666	27,318	-
Administrative costs (direct).....	1,315	7,862	7,952	8,727
Indirect costs.....	619	3,700	3,742	4,107
Total Costs.....	27,437	37,228	39,012	12,834
FTEs.....	15	88	85	99
Performance Measure:				
Jobs created/saved.....	11,749	8,613	9,000	-
Cost per measure (unit cost).....	2.34	-	-	-
<u>Rural Business Opportunity Grants</u>				
Program Level.....	5,343	2,878	2,250	-
Budget Authority.....	5,343	2,878	2,250	-
Administrative costs (direct).....	747	2,096	2,121	2,327
Indirect costs.....	352	987	998	1,095
Total Costs.....	6,442	5,961	5,369	3,422
FTEs.....	9	23	23	26
Performance Measure:				
Jobs created/saved.....	541	-	-	-
Cost per measure (unit cost).....	11.91	-	-	-

Department Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving

	2012	2013	2014	2015
Rural Business programs:	Actual	Actual	Estimate	Estimate
<u>Rural Business and Cooperative Grant Programs</u>				
Program Level.....	-	-	-	59,500
Budget Authority.....	-	-	-	59,500
Administrative costs (direct).....	-	175	177	194
Indirect costs.....	-	82	83	91
Total Costs.....	-	257	260	59,785
FTEs.....	-	2	2	2
Performance Measure:				
Jobs created/saved.....	-	-	-	13,903
Cost per measure (unit cost).....	-	-	-	4.30
<u>Intermediary Relending Program</u>				
Program Level.....	17,585	17,420	18,889	10,013
Budget Authority.....	5,958	5,581	4,082	3,084
Administrative costs (direct).....	1,089	4,368	4,418	4,848
Indirect costs.....	513	2,055	2,079	2,282
Total Costs.....	7,560	12,004	10,579	10,214
FTEs.....	13	49	47	55
Performance Measure:				
Jobs created/saved.....	13,452	13,326	14,280	14,350
Cost per measure (unit cost).....	0.56	0.90	0.74	0.71
<u>Rural Economic Development Loans - Mandatory</u>				
Program Level.....	40,779	49,307	33,077	59,456
Budget Authority.....	5,293	6,109	2,795	7,593
Administrative costs (direct).....	1,662	1,747	1,767	1,939
Indirect costs.....	782	822	832	913
Total Costs.....	7,737	8,678	5,394	10,445
FTEs.....	20	19	19	22
Performance Measure:				
Jobs created/saved.....	2,585	2,001	2,096	3,767
Cost per measure (unit cost).....	2.99	4.34	2.57	2.77
<u>Microenterprise Assistance Loans - Discretionary</u>				
Program Level.....	-	-	-	25,683
Budget Authority.....	-	-	-	3,290
Total Costs.....	-	-	-	3,290
Performance Measure:				
Jobs created/saved.....	228	-	-	3,300
Cost per measure (unit cost).....	-	-	-	1.00
<u>Microenterprise Assistance Loans - Mandatory</u>				
Program Level.....	903	-	23,962	11,710
Budget Authority.....	903	-	1,500	1,500
Administrative costs (direct).....	-	1,048	1,060	1,164
Indirect costs.....	-	493	499	548
Total Costs.....	903	1,541	3,059	3,212
FTEs.....	-	12	11	13
Performance Measure:				
Jobs created/saved.....	228	-	-	-

Department Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving

	2012	2013	2014	2015
Rural Business programs:	Actual	Actual	Estimate	Estimate
<u>Guaranteed Biorefinery Loans - Mandatory</u>				
Program Level.....	461,500	-	241,371	124,008
Budget Authority.....	144,584	-	100,000	50,000
Administrative costs (direct).....	-	1,398	1,414	1,551
Indirect costs.....	-	658	665	730
Total Costs.....	144,584	2,056	102,079	52,281
FTEs.....	-	16	15	18
Performance Measure:				
Gallons of Advanced Biofuel (Millions).....	61	-	-	-
Cost per measure (unit cost).....	2,370.23	-	-	-
<u>Renewable Energy for America Loans - Discretionary</u>				
Program Level.....	-	13,065	12,760	47,259
Budget Authority.....	-	3,137	3,500	5,000
Administrative costs (direct).....	-	486	491	539
Indirect costs.....	-	229	231	254
Total Costs.....	-	3,852	4,222	5,793
FTEs.....	-	5	5	6
Performance Measure:				
KWH saved/generated(in million)	-	449	439	1,016
Cost per measure (unit cost).....	-	9	10	6
<u>Renewable Energy for America Loans - Mandatory</u>				
Program Level.....	-	19,493	91,141	236,295
Budget Authority.....	-	4,680	25,000	25,000
Administrative costs (direct).....	-	923	933	1,024
Indirect costs.....	-	434	439	482
Total Costs.....	-	6,037	26,372	26,506
FTEs.....	-	10	10	12
Performance Measure:				
KWH saved/generated (in millions).....	-	670	-	-
Cost per measure (unit cost).....	-	9	-	-
<u>Rural Economic Development Grants</u>				
Program Level.....	9,573	9,980	10,000	10,000
Administrative costs (direct).....	688	1,747	1,767	1,939
Indirect costs.....	324	822	832	913
Total Costs.....	1,012	2,569	2,599	2,852
FTEs.....	8	19	19	22
Performance Measure:				
Jobs created/saved.....	2,163	971	2,259	2,600
Cost per measure (unit cost).....	0.47	2.65	1.15	1.10

Department Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving

	2012	2013	2014	2015
Rural Business programs:	Actual	Actual	Estimate	Estimate
<u>Energy Assistance Payments - Mandatory</u>				
Program Level.....	40,205	47,601	27,000	15,000
Budget Authority.....	40,205	47,601	27,000	15,000
Administrative costs (direct).....	573	175	177	194
Indirect costs.....	270	82	83	91
Total Costs.....	41,048	47,858	27,260	15,285
FTEs.....	7	2	2	2
Performance Measure:				
KWH produced (in thousands).....	TBD	10,370	-	-
Cost per measure (unit cost).....	-	5	-	-
<u>Renewable Energy for America Grants - Discretionary</u>				
Program Level.....	8,189	-	-	5,000
Budget Authority.....	3,398	-	-	5,000
Administrative costs (direct).....	6,760	6,799	6,878	7,548
Indirect costs.....	3,181	3,200	3,237	3,552
Total Costs.....	13,339	9,999	10,115	16,100
FTEs.....	78	76	74	85
Performance Measure:				
KWH saved/generatedproduced (in Millions).....	368	-	-	97
Cost per measure (unit cost).....	36.25	-	-	-
<u>Renewable Energy for America Grants - Mandatory</u>				
Program Level.....	27,723	39,590	25,000	25,000
Budget Authority.....	21,976	39,590	25,000	25,000
Total Costs.....	21,976	39,590	25,000	25,000
Performance Measure:				
KWH saved/generated (in millions).....	446	806	-	-
Cost per measure (unit cost).....	49.27	49.12	-	-
<u>Microenterprise Grants</u>				
Program Level.....	-	1,200	1,500	1,500
Budget Authority.....	-	1,200	1,500	1,500
Administrative costs (direct).....	285	1,048	1,060	1,164
Indirect costs.....	134	493	499	548
Total Costs.....	419	2,741	3,059	3,212
FTEs.....	3	12	11	13
<u>Rural Cooperative Development Grants</u>				
Program Level.....	11,050	6,492	5,800	-
Budget Authority.....	11,050	6,492	5,800	-
Administrative costs (direct).....	345	699	707	776
Indirect costs.....	163	329	333	365
Total Costs.....	11,558	7,520	6,840	1,141
FTEs.....	4	8	7	9
Performance Measure:				
Groups Assisted 1/.....	394	-	-	-
Cost per measure (unit cost).....	29.33	-	-	-

Department Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving

	2012	2013	2014	2015
Rural Business programs:	Actual	Actual	Estimate	Estimate
<u>Grants to Assist Minority Producers</u>				
Program Level.....	-	3,205	3,000	3,000
Budget Authority.....	-	3,205	3,000	3,000
Total Costs.....	-	3,205	3,000	3,000
<u>Appropriate Technology Transfer</u>				
Program Level.....	-	2,087	2,250	2,087
Budget Authority.....	-	2,087	2,250	2,087
Total Costs.....	-	2,087	2,250	2,087
<u>Value Added Grants - Mandatory</u>				
Program Level.....	39,178	114	63,000	-
Budget Authority.....	39,178	114	63,000	-
Administrative costs (direct).....	1,029	680	688	755
Indirect costs.....	484	320	324	355
Total Costs.....	40,691	1,114	64,012	1,110
FTEs.....	12	8	7	9
Performance Measure:				
Number businesses assisted 2/.....	299	-	-	-
Cost per measure (unit cost).....	136.09	-	-	-
<u>Value Added Grants - Discretionary</u>				
Program Level.....	1,245	18,425	15,000	11,000
Budget Authority.....	1,245	18,425	15,000	11,000
Administrative costs (direct).....	-	1,943	1,965	2,156
Indirect costs.....	-	914	925	1,015
Total Costs.....	1,245	21,282	17,890	14,171
FTEs.....	-	22	21	24
<u>Healthy Food and Financing Initiative</u>				
Program Level.....	-	-	-	12,250
Budget Authority.....	-	-	-	12,250
Administrative costs (direct).....	-	-	-	750
Total Costs.....	-	-	-	13,000
<u>Total, Rural Business-Cooperative Service Programs</u>				
Program Level.....	1,741,731	1,195,863	1,561,415	1,290,817
Budget Authority.....	363,524	222,098	375,966	265,994
Administrative costs (direct).....	44,444	48,567	49,128	54,661
Indirect costs.....	20,916	22,855	23,119	25,373
Total Costs, All Strategic Goals.....	428,884	293,520	448,213	346,028
Total FTEs, All Strategic Goals.....	518	542	525	609
Performance Measure:				
Measure.....	N/A	N/A	N/A	N/A
Cost per measure (unit cost).....	N/A	N/A	N/A	N/A