



# Rural Business-Cooperative Service 101

Joan B. Scheel

Business Programs Director, Nebraska

Randy Monhemius

Business Programs Specialist, Ohio



Rural Development  
U.S. DEPARTMENT OF AGRICULTURE



# USDA Rural Development



USDA Rural Development is committed to helping improve the economy and quality of life in rural America. Through our programs, we help rural Americans in many ways.



# The Foundation: RD Key Priorities

*On August 12, 2021, Rural Development made public its Key Priority Framework*

<https://www.rd.usda.gov/priority-points>

## COVID-19

- Assist Rural communities recover economically from the impacts of the COVID-19 pandemic, particularly disadvantaged communities.

## Equity

- Ensuring all rural residents have equitable access to RD programs and benefits from RD funded projects.

## Climate

- Reduce climate pollution and increasing resilience to the impacts of climate change through economic support to rural communities.

## Ways RD Will Implement the Key Priorities

- 1. General Promotion of Priorities**
- 2. Awarding Priority Points:**
- 3. Providing Transparency to the Public**
- 4. Establishing Special Projects**

# USDA Rural Development

The logo consists of five small circles in a row, colored blue, green, orange, grey, and green from left to right.

Administers over 40 Programs

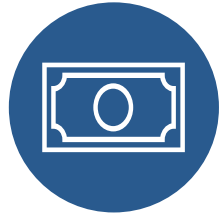
Supports rural communities with loan and grant investments of over \$50 billion annually

Portfolio of investments exceeds \$220 billion

# Rural Business-Cooperative Service Programs



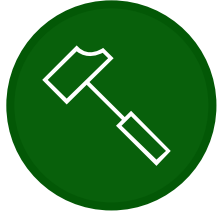
# Rural Business-Cooperative Service



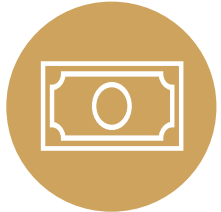
Business & Industry  
Guaranteed Loans



Rural Energy for America Program  
Guaranteed Loans & Grants



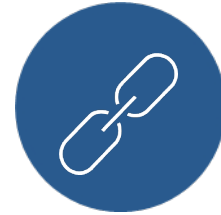
Value Added Producer Grants



Intermediary Relending Program



Rural Economic Development  
Loan & Grant Program



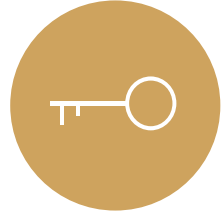
Rural Microentrepreneur  
Assistance Program



Rural Business Development Grants



Rural Business Investment Program



Rural Innovation Stronger Economy  
Grant Program



Rural Cooperative Development  
Grant

# What do we fund?

## (Types of Projects)



### B&I Guarantee Loans

- Hotels
- Manufacturing
- Construction
- Industrial Supply
- Convenience Stores
- Assisted Living

### REAP Guarantee Loans

- Commercial Grade Solar Projects
- Anaerobic Digesters
- Energy Efficiency Equipment and Systems for Agricultural Production and Processing

### Value Added Producer Grants

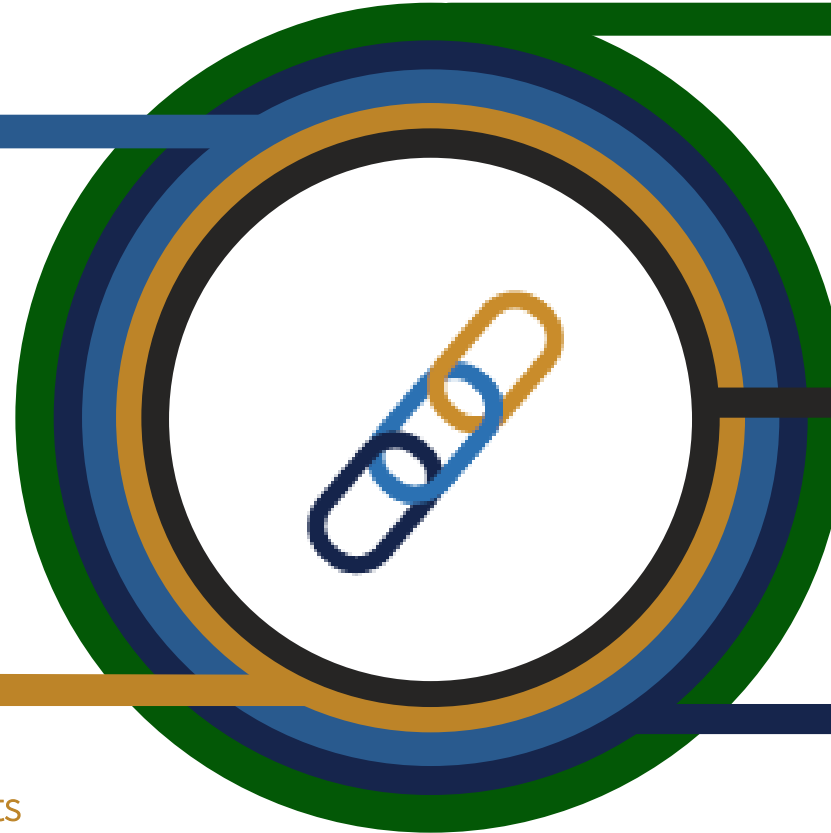
- Feasibility Studies
- Business Plans
- Working capital for value added product market development and expansion

### RBDG

- Technical Assistance-Type Projects
- Business Incubators
- Workforce Training

### REAP Grants

- Solar/Wind
- Grain Dryers
- Lighting/HVAC
- Insulation/Cooling or Refrigeration Units
- Energy Audit/Renewable Energy Technical Assistance



# OneRD Guaranteed Loan Initiative



## What is OneRD Guaranteed Loan Initiative?

➤ A standard regulation and process for RD guaranteed loan making and servicing in four programs:

- Water & Waste
- Community Facilities
- Business & Industry
- Rural Energy for America

OneRD, One Process



Common Application & Consistent Forms



Speed & Transparency



Single-Point Lender Approval



\*New Rule went into effect on October 1, 2020.



# OneRD Guarantee Loan Program

## Business & Industry Guaranteed Loan Program



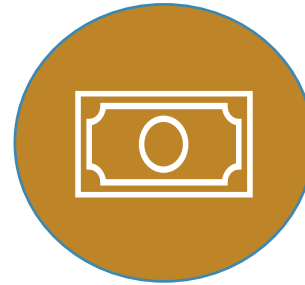
### Purpose

To improve the economic health of rural communities by increasing access to business capital by offering loan guarantees to commercial lenders for their loans to rural businesses



### Lender Eligibility

Banks, credit unions, savings and loans, Farm Credit System, and other lenders approved by USDA



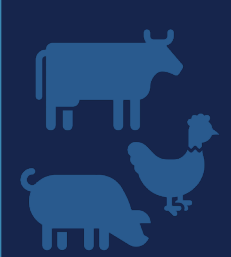
### Loan Limits

Maximum of \$25 million with an 80% guarantee in Fiscal Year 2021



### Borrower Eligibility

For-profit businesses, nonprofits, cooperatives, Federally recognized Tribes, and public bodies



# Food Supply Chain (FSC) Guarantee Loan Program Objectives



Expand access to financing for **food systems infrastructure**.



Increase **Capacity** and help create a more **resilient, diverse, and secure** U.S. Food Supply Chain.



Support USDA FY '22 priority of **Creating More and Better Market Opportunities**

Diversity

Resiliency

Security



# Food Supply Chain (FSC) Guarantee Loan Program



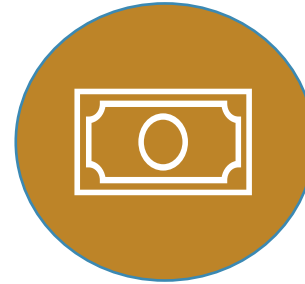
## Purpose

Provides support to qualified lenders whose loan applicants want to start or expand middle of the food supply chain activities such as aggregation, processing, manufacturing, storage, transportation, wholesale, or distribution of food.



## Lender Eligibility

Banks, credit unions, savings and loans, Farm Credit System, and other lenders approved by USDA



## Loan Limits and Fees

Maximum of \$40 million with an 90% guarantee for fixed rates and 80% guarantee for all others.

0% Guarantee Fee and Annual Renewal Fee



## Borrower Eligibility

For-profit businesses, nonprofits, cooperatives, Federally recognized Tribes, public bodies and food supply chain entrepreneurs

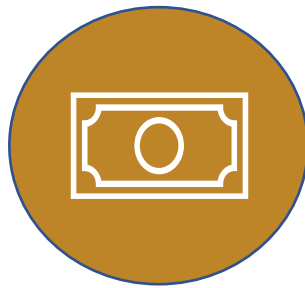
[Food Supply Chain Guaranteed Loan Program | Rural Development \(usda.gov\)](#)  
[Meat and Poultry Supply Chain | USDA](#)

# Rural Business Development Grant (RBDG)



## Purpose

To provide technical assistance and training for rural small businesses. The program assists with economic development planning and/or financing or expansion of rural business



## Grant Amount

There is no maximum grant amount; however, smaller request are given higher priority.



## Borrower Eligibility

- State/local governments
- Federally-recognized tribes
- Nonprofit corporations
- Communities
- Institutions of higher education
- Rural cooperatives (non-profit)



## Eligible Projects

- Training and Technical Assistance
- Acquisition or development of land
- Pollution control and abatement
- Capitalization of revolving loan funds
- Distance adult learning for job training and development
- Rural transportation improvement



# Rural Energy for America Program (REAP)



Promotes energy efficiency improvements and development of renewable energy systems for agricultural producers and rural small businesses.



# Rural Energy for America Program (REAP) Eligibility



Renewable Energy Systems (RES) or replacement or upgrades for energy efficiency improvements (EEI).

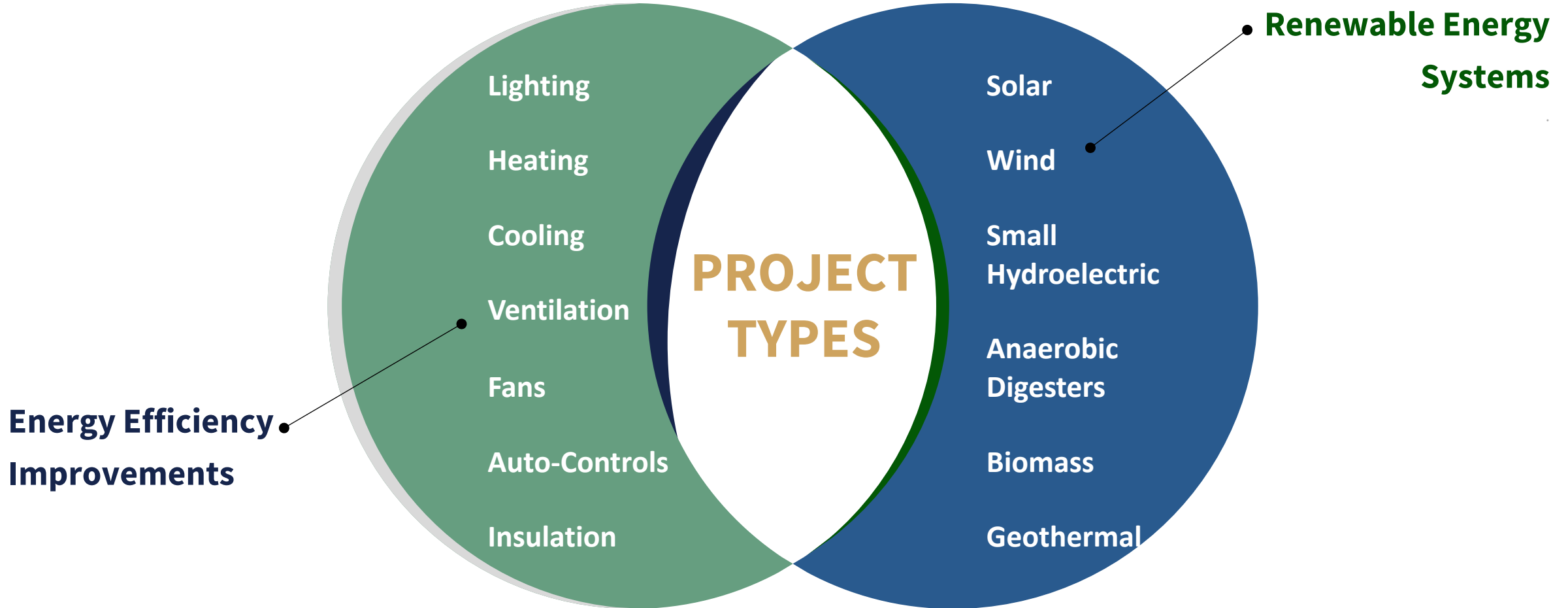
You may be eligible if you are a/an:

- Agricultural Producer  
or
- Rural Small Business

Grants up to 25% of total eligible project costs & loan guarantees on loans up to 75% of total eligible project costs

- Businesses must be located in rural areas with populations of 50,000 residents or less
- Agricultural producers may be in rural or non-rural areas

# Rural Energy for America Program (REAP)



# Rural Energy for America Program (REAP) Grant Program



## Renewable Energy Systems

Grant Request

Minimum \$2,500

TEPC  $\geq$  \$10,000

Maximum \$500,000

TEPC  $\geq$  \$2 million

## Energy Efficiency Improvements

Grant Request

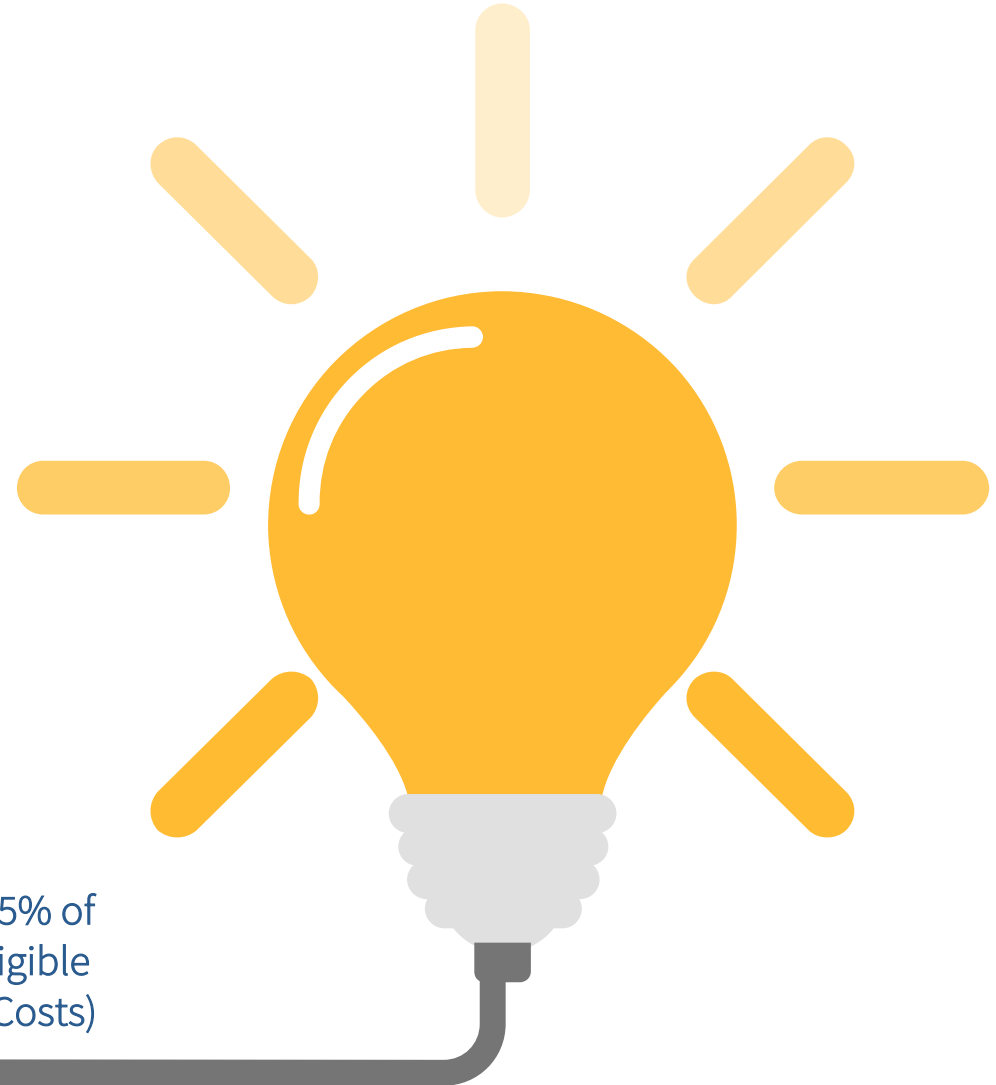
Minimum \$1,500

TEPC  $\geq$  \$6,000

Maximum \$250,000

TEPC  $\geq$  \$1 million

(Up to 25% of  
Total Eligible  
Project Costs)





# Rural Energy for America Program (REAP) Loan Guarantee Program

## Guaranteed Loan Amount

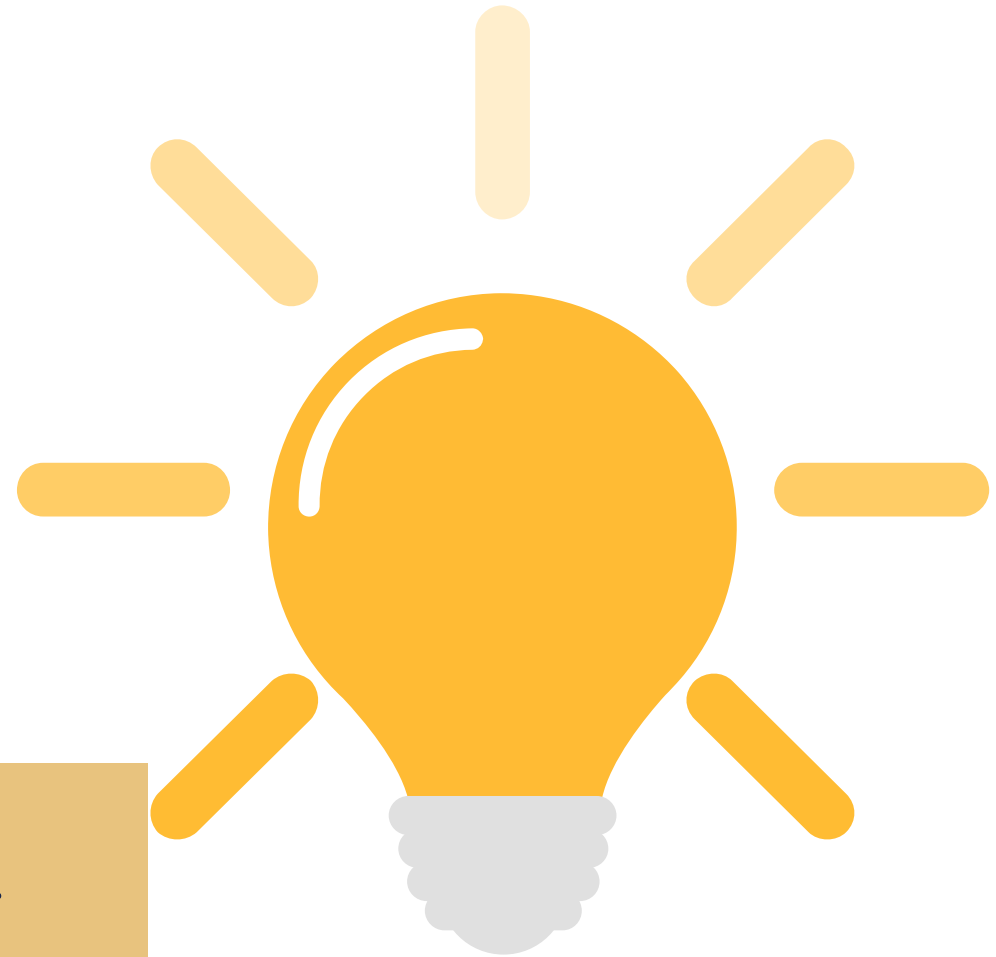
Minimum - \$5,000

Total eligible project cost  $\geq$  \$6,667

Maximum - \$25,000,000

Total eligible project cost  $\geq$  \$33.4 million

- OneRD Guarantee Loan Program
- Loan amount cannot exceed 75% of eligible project cost.
- Terms negotiated between lender and borrower.
- Fees, appraisals, equity & collateral requirements apply.

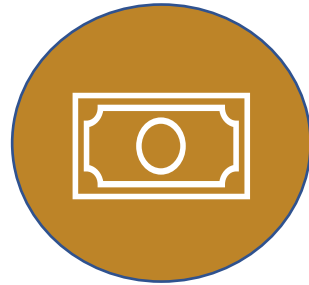


# Value-Added Producer Grant (VAPG)



## Purpose

Aid agricultural producers in adding activities related to the process and marketing of new products



## Grant Amount

Maximum of \$250,000 for working capital grant and \$75,000 for planning grants.

Producers must supply 50% of total project cost.



## Borrower Eligibility

Independent producers, agricultural producer groups, farmer or rancher cooperatives, and majority-controlled produced-based business ventures



## Eligible Uses of funds

- Product packaging and labeling
- Ingredients
- Promotional materials
- Advertising
- Feasibility Studies

# Revolving Loan Fund & Intermediary Lender Programs



## Other Program Assistance

- Rural Business Investment Program
- Cooperative Development Assistance

Intermediary Relending Program

01

Rural Economic Development Loan & Grant Program

02

Rural Microentrepreneur Assistance Program

03

Rural Business Development Grants

04

Contact your local USDA Rural Development office for a listing of intermediary lenders!

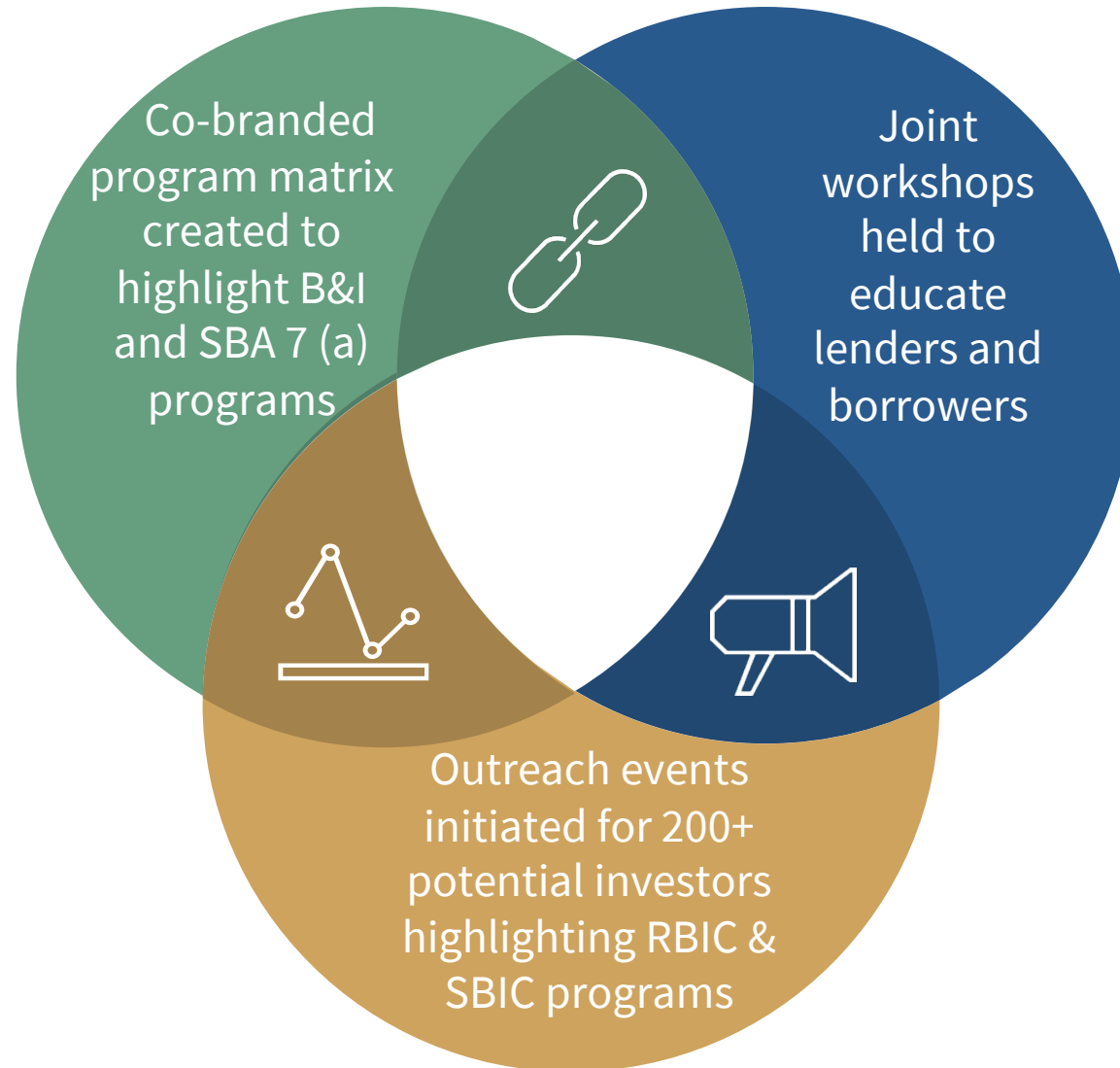
# Partnership with Small Business Administration (SBA)





# Our Partnership with SBA

A joint effort to increase rural investment



# RBCS Program Information & Access Points



- Rural Development Website: <https://www.rd.usda.gov>
- State Office and Local Contacts: <https://www.rd.usda.gov/contact-us/state-offices>
- Business Programs: <https://www.rd.usda.gov/programs-services/all-programs/business-programs>
- Energy Programs: <https://www.rd.usda.gov/programs-services/energy-programs>
- Project Eligibility Determination Tool: [https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=RB\\_Smenu](https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=RB_Smenu)

# USDA Rural Development

Joan B. Scheel

Business Programs Director, Nebraska

402-499-0539

[joan.scheel@usda.gov](mailto:joan.scheel@usda.gov)

Randy Monhemius

Business Programs Specialist

614-255-2424

[randy.monhemius@usda.gov](mailto:randy.monhemius@usda.gov)

