

USDA/Rural Development

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News Release

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VENEMAN ANNOUNCES INVESTMENT OF \$13 MILLION IN BUSINESS DEVELOPMENT FUNDS FOR RURAL AMERICA

Funding to Create or Save Over 6,000 Rural Jobs/1,100 Rural Business Ventures

WASHINGTON, Aug. 28, 2003 - Agriculture Secretary Ann M. Veneman announced this week, the selection of 115 loan and grant recipients in 42 states that will receive \$13.1 million in rural business development funds. The loans and grants are expected to assist in creating or saving over 6,000 rural jobs and supports 1,166 business ventures as part of the Bush Administration's ongoing efforts to spur economic development in rural areas.

"These partnership investments with local communities help bring economic growth and employment opportunities to rural areas," said Veneman. "This assistance underscores the commitment of the Bush Administration to a vibrant and healthy rural America."

"Competition for the energy and ingenuity of our rural youth is fierce, we must make the necessary rural venture capital investments to provide incentives for young families to remain or return to rural America," said USDA Under Secretary for Rural Development Thomas C. Dorr.

The assistance includes Rural Business Enterprise Grants (RBEG), Rural Business Opportunity Grants (RBOG) and Rural Economic Development Loans and Grants (REDLG). The grants and loans are awarded through USDA Rural Development to local organizations, which in turn administer the funds in local efforts. Funds can be used for a variety of purposes, including revolving business loan funds, studies, technical assistance, community facilities, improving medical care and communications, and other projects that encourage a favorable climate for jobs and growth. Many of the awards are made in conjunction with assistance from other sources, "leveraging" USDA funds for greater effect. A list of the awards can be found at www.rurdev.usda.gov/rd/newsroom/2003.

Nebraska grant recipients are:

- **Educational Service Unit (ESU) #5**, Beatrice, Neb.- \$50,000 in RBOG funds to form a Southeast Nebraska Business Technical Assistance project to implement a planning and educational process to develop a regional Community Development Corporation (CDC) for Gage, Thayer and Jefferson counties served by ESU #5. Project will study the level of support, feasibility, and develop an implementation process for a regional CDC in cooperation with local banks, development entities, schools, and institutions of higher education. The CDC would provide training in entrepreneurial lending process. The project's potential is estimated to be 9 new businesses, 18 new employees, in the 3 county area per year.

- **Center for Rural Affairs**, Walthill, Neb.-\$50,000 in RBEG funds to create a rural Hispanic Business Center (HBC) without "walls". Using its existing infrastructure with business specialists located throughout Nebraska, the Center will in conjunction with their current services, deliver economic development services to rural Hispanics statewide. Nebraska communities of Schuyler, South Sioux City and Scottsbluff will be pilot communities for the project. The project has the potential of starting and/or saving 50 businesses during the first year resulting in 65 jobs added and/or saved.
- **State of Nebraska (Nebraska Ethanol Board)**, Lincoln, Neb.-\$50,000 RBEG to conduct a pre-construction feasibility study of a commercial scale demonstration of a novel "closed loop" ethanol/cattle feedlot/anaerobic digestion-waste treatment system know as PRIME. This study will bring the process a step closer to the establishment of one or more new Nebraska-based businesses.
- **State of Nebraska (University of Nebraska)**, Lincoln, Neb.-\$64,247 RBEG which the University of Nebraska-Lincoln's Food Processing Center will use to develop a model for identifying opportunities for rural producers and small food processors in niche ethnic food markets. The model will provide support to small and emerging food processors and producers in rural areas on producing and selling high-value, niche ethnic food products. It is anticipated that 5 to 10 different groups (growers or small processors) will start businesses or enter new markets with the results of the ethnic market research to add 5 to 10 new employees in economically depressed areas in the first year.

State Director Jim Barr for USDA Rural Development in Nebraska stated, "The grant awards of over \$200,000 are beneficial to Nebraska's rural business infrastructure. I encourage the use of USDA Rural Development programs as they assist in building a stronger rural Nebraska."

In addition to Nebraska's award of \$214,247 that was competed for nationally, Nebraska utilized its Fiscal Year appropriated allocation in mid June to fund 7 additional RBEGs totaling nearly \$290,000.

"Nebraska's RBEG funded projects will provide for technical assistance that promotes business development efforts in Nebraska," stated Barr. "Technical assistance provides the informational training needed to participate in the rural business world."

Nebraska awarded RBEG recipients include:

- **State of Nebraska (University of Nebraska)** Lincoln, Neb.-\$73,650 to assist in the presentation of the Enhancing, Developing, and Growing Entrepreneurs (EDGE) program in 12 identified sites spanning 12 counties.
- **Center for Rural Affairs** Walthill, Neb.-\$34,150 will be used for technical assistance and training services to emerging value-added agricultural businesses in 8 counties.
- **Central Plains Foundation, Inc.** Holbrook, Neb.-\$50,000 to expand the existing marketing and training program for Nebraska arts and crafts businesses which is delivered through the Grassroots Resources and Opportunities for Winners (GROW) Nebraska project. Focus will be to reach farm/ranch families, minorities, women-owned and small disadvantaged businesses for creation and startup of a business or for connecting them to a successful GROW Nebraska member business. Funding will serve 88 rural counties.

- **Nebraska Microenterprise Partnership Fund** Walthill, Neb.-\$50,000 will allow the partnership fund to conduct outreach, provide training, identify service gaps, develop products to fill gaps and to develop additional financial resources in 88 rural counties.
- **Panhandle Area Development District (PADD)** Gering, Neb.-\$22,000 will provide general business counseling on an individual basis and in a classroom setting to revolving loan fund applicants strengthening economic and business development in the Panhandle area of Nebraska encompassing 11 counties.
- **Five Rivers RC&D, Inc.** Tecumseh, Neb.-\$9,750 will help pay for 3 EDGE instructors, an EDGE coordinator, and for additional resources outside of the EDGE program such as technical assistance, financial planning, and the like serving 5 counties.
- **State of Nebraska (University of Nebraska)** Lincoln, Neb.-\$50,000 to expand the Farming with Computer Technologies training program and to deliver the program to selected farmers and agribusiness representatives at 5 locations spanning 5 counties.

USDA Rural Development's mission is to deliver programs in a way that will support increasing economic opportunity and improve the quality of life of rural residents. As a venture capital entity, Rural Development provides equity, liquidity, and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure. Further information on rural programs is available at a local USDA Rural Development office or by visiting USDA's web site at <http://www.rurdev.usda.gov>.

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