



# NEWS RELEASE

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## **BUSH ADMINISTRATION CONTINUES INCREASED INVESTMENTS FOR ETHANOL AND BIOENERGY PROJECTS \$7.2 Million in Projects Supports President's National Energy Strategy**

WASHINGTON, Oct. 22, 2002—Agriculture Secretary Ann M. Veneman today announced the approval of 35 Value-Added Agricultural Product Market Development grants in 22 states, totaling over \$7.2 million. The grants will foster the development of alternative energy sources while spurring economic growth and job creation in rural communities. The 35 alternative energy grants are a portion of the 231 Value-Added Agricultural Product Market Development grants totaling more than \$37 million in 43 states announced separately today.

“These projects will bring new opportunities for developing alternative energy sources as well as create other value-added agricultural products that provide real investment in our rural communities,” said Veneman. “These grants support the President’s national energy strategy and this builds on the Bush administration’s commitment to expanding renewable energy resources.”

The Value-Added Agricultural Product Market Development grants announced today range over a variety of agricultural sectors, such as renewable energy, and will enable rural entrepreneurs to develop products and markets to enhance local economic opportunities. Today’s announcement is more than double the amount provided in FY 2001.

The projects selected involve the development of alternative energy production ventures.

“President Bush’s comprehensive energy plan places significant emphasis on the use of alternative energy sources, such as ethanol and biodiesel, as part of the nation’s overall energy strategy,” said Veneman.

A report issued by USDA’s Chief Economist in August 2002, titled “The Energy Balance of Corn Ethanol: An Update,” showed the growing value and energy efficiency of ethanol and how its production and use has evolved into a cost effective alternative energy source over the past 20 years.

These grants will fund projects in several states, including Illinois, Iowa, South Dakota and Wisconsin, to develop 40-million gallon ethanol facilities. Over \$5 million dollars in grant funds were awarded to 22 proposed ethanol ventures in 14 states.

“The tremendous volume and quality of applications is a testament to the innovation and vision existing in rural America for improving our rural communities,” said Under Secretary for Rural Development Tom Dorr. “These grants will provide important investments in the area of energy where the agricultural sector continues to be a leader in forging new solutions.”

The following is a list of selected alternative energy project dollars by state:

Arizona - \$150,000	Colorado - \$41,300	Idaho - \$489,835
Illinois - \$500,000	Indiana - \$54,500	Iowa - \$2,174,500
Kansas - \$740,615	Minnesota - \$398,000	Mississippi - \$65,429
Missouri - \$590,000	Montana - \$46,030	<b>Nebraska - \$40,000**</b>
New Jersey - \$219,000	North Dakota-\$167,500	Ohio - \$50,000
Oklahoma - \$231,000	Pennsylvania - \$150,000	South Dakota - \$450,000
Texas - \$315,508	Virginia - \$256,400	Washington-\$274,000
Wisconsin - \$134,700		

In several states, including Iowa and South Dakota, grant funds will be used to develop ethanol facilities. In Iowa, the Big River Resources Cooperative in Mediapolis will use its \$500,000 grant to assist in the start-up of a 40 million gallon ethanol plant. In Holstein, Iowa, a \$75,000 grant to the Galva Holstein Ag, LLC will help determine the feasibility of using dried distiller’s grain as the basis for an environmentally friendly fertilizer. Dried distiller’s grain is a by-product created in the process of making ethanol. In South Dakota, the Farmers Union in Huron will conduct a study to determine if renewable energy ethanol from corn and processed biowaste from the dairy industry is feasible. Over \$5 million dollars in grant funds will focus on 22 proposed ethanol ventures in 14 states.

Funding of individual recipients will be contingent upon meeting the conditions of the grant agreement. A complete list of the alternative energy and other recipients, as well as information about applying for FY2003 grants, can be viewed by visiting <http://www.rurdev.usda.gov/rbs/coops/vadg.htm>. For more information about USDA’s energy programs, visit <http://www.usda.gov/energy>.

USDA Rural Development serves as the lead federal entity for rural development needs and administers program assistance through three agencies: Rural Housing Service, Rural Business-Cooperative Service and Rural Utilities Service. Further information on USDA Rural Development can be obtained by contacting any USDA Service Center or by visiting USDA's web site at <http://www.rurdev.usda.gov>.

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\*\*Imperial Young Farmers and Ranchers, Imperial, Neb. - \$40,000

Purpose: To conduct a feasibility study for developing a biomass ethanol and electric facility that utilizes waste crops such as corn stover and wheat straw.