



RD-Oregon Business Programs FY2009 Annual Report

The following federal rural business development assistance was awarded by USDA Rural Development-Oregon in FY2009 and the two preceding fiscal years:

Oregon RD Business Programs	FY2007		FY2008		FY2009	
	#	\$	#	\$	#	\$
Business & Industry Guaranteed Loans (B&I)	26	\$ 57,114,434	35	\$ 61,561,125	20	\$ 35,327,116
REAP Guaranteed Loans	2	\$ 41,250	2	\$ 200,500	1	\$ 2,227,140
REAP Grants	8	\$ 1,641,508	18	\$ 646,676	44	\$ 1,289,720
REAP Feasibility Study	n/a		n/a		7	\$ 173,000
REAP EA/REDA	n/a		n/a		2	\$ 199,991
Rural Energy for America Program (REAP)	10	\$ 1,682,758	20	\$ 847,176	54	\$ 3,889,851
\$9005 Advanced Biofuel Payments	n/a	n/a	n/a	\$ -	4	\$ 111,785
RBEG - State allocation	39	\$ 391,000	38	\$ 356,000	23	\$ 314,970
RBEG - National reserve	1	\$ 99,000	2	\$ 698,000	2	\$ 149,999
RBEG - Native American	1	\$ 99,000	4	\$ 495,284	3	\$ 328,900
RBEG - Disaster	n/a		n/a		3	\$ 449,998
RBEG - ARRA	n/a		n/a		6	\$ 622,802
Rural Business Enterprise Grants (RBEG)	41	\$ 589,000	44	\$ 1,549,284	37	\$ 1,866,669
RBOG - State award	1	\$ 50,000	1	\$ 50,000	-	\$ -
RBOG - Multi-state award	1	\$ 150,000	-		1	\$ 150,000
RBOG - Native American	1	\$ 123,900	1	\$ 61,746	1	\$ 60,000
Rural Business Opportunity Grant (RBOG)	3	\$ 323,900	2	\$ 111,746	2	\$ 210,000
Value-Added Producer Grant (VAPG)	14	\$ 1,677,499	10	\$ 1,038,562	n/a	\$ -
RED Loans	-	\$ -	-	\$ -	-	\$ -
RED Grants	1	\$ 300,000	-	\$ -	-	\$ -
Rural Economic Development Loan & Grant (REDLG)	1	\$ 300,000	-	\$ -	-	\$ -
Intermediary Relending Program (IRP)	3	\$ 1,750,000	2	\$ 1,145,000	2	\$ 1,050,000
Total Business Programs	98	\$ 63,437,591	113	\$ 66,252,893	119	\$ 42,455,421

RD-Oregon Business Programs FY2009 Annual Report

FY2009 Recap

Overall, RD-Oregon's Business Program assistance declined by 36% in FY2009, to \$42.3 million from \$66.2 million in FY2008.

The decline was almost entirely attributable to a serious drop in B&I lending, which fell off 42% from FY2008. The "credit crunch" is real in Oregon, and several active B&I banks were shuttered by the FDIC, including Community First Bank and national volume leader Temecula Valley Bank. In the face of the downturn, it was nevertheless encouraging to see 20 B&I projects funded, the third highest number in Oregon history, allowing Oregon to rank #5 in the nation in terms of # of B&I loans. Oregon dropped from #5 to #14 in B&I \$ obligated - at least in the "Sweet Sixteen" of the nation.

Total grant obligations increased to \$3.7 million (the second highest in Oregon history) from last year's \$3.3 million level. FY2009's 92 grant awards is the highest number of grant projects ever in Oregon. Through national competitions - ARRA, Disaster, Native American, and National Reserve - Oregon multiplied its RBEG awards to a \$ level six times higher than our "state allocation". Through the Recovery Act, Oregon received 6 RBEG-ARRA awards (\$622,802) - the 5th highest # and the 8 highest \$'s in the nation in the ARRA category.

FY2009 saw the continued growth of the state's REAP program, which more than doubled from 18 projects (\$646,000) to 44 projects (\$1.3 million) - with an additional 7 feasibility study projects and 2 energy audit/renewable energy development assistance REAP's. Solar photovoltaic projects were by far the most popular renewable energy technology, though biomass, energy efficiency, and small and large wind projects are also being supported. Oregon's REAP program ranked #5 in the nation in \$ level and #8 in # of awards.

The new \$9005 Advanced Biofuel Payment Program, which primarily assists biodiesel and non-corn starch ethanol producers, enrolled 4 Oregon producers, an excellent showing in a program more-suited to Midwestern circumstances.

The VAPG program was idle in FY2009, with the national NOFA only published in September 2009. Awards will not occur until spring or summer 2010 when we hope to again have a strong Oregon showing.

Oregon intermediaries won 2 IRP subsequent loans for their revolving loan funds under the IRP program, continuing a pattern of roughly \$1 million of supplemental IRP funding each year.

In summary, for Business Programs, FY2009 was a year of tremendous intensity and achievement -- notably reflected in 119 projects funded (more than any previous year) -- in the face of the most difficult economy in our careers. Our B&I program was unable to maintain its past growth momentum in the face of a national downturn that has hit Oregon (currently with the #4 unemployment rate in the US) especially hard. Nonetheless, we delivered grant assistance at peak levels, including ARRA RBEG programs, to mitigate some of the economic pain.

Our B&I portfolio stands at 80 loans with a balance of about \$136 million. Our delinquency rate and losses remain modest in light of the bad economy, and we are actively working with our lenders and borrowers when the need arises.

Our challenge in FY2010 will be to reinvigorate the B&I program. With the newly-added ARRA authorities of the B&I program unveiled in August 2009, we have more tools and funds than ever at our disposal to partner with Oregon's rural business lenders. If FY2009 was the year we delivered grants as never before, FY2010 must be the year that B&I comes to the fore.

Detailed information about RD Business Programs is available at <http://www.rurdev.usda.gov/or/rbs.htm>