



# NEWS RELEASE

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## **AGRICULTURE DEPUTY SECRETARY MERRIGAN AWARDS \$4.4 MILLION IN RURAL ECONOMIC DEVELOPMENT GRANTS**

### *University of Alaska Receives Almost \$200,000 to Fund Cooperative Development Efforts*

WASHINGTON, Sept. 15, 2009 – Agriculture Deputy Secretary Kathleen Merrigan today announced that 23 organizations in 19 states have been selected to receive \$4.4 million in grants to spur economic development and create jobs in rural communities. This announcement comes as part of the ‘Know Your Farmer, Know Your Food’ initiative, a USDA-wide collaboration that will connect people more closely with the farmers who supply their food and increase the production, marketing and consumption of fresh, nutritious food that is grown locally in a sustainable manner.

“The cooperative business model continues to be a successful in creating wealth in rural communities and can also play an important role in strengthening local food systems,” Merrigan said. “USDA is proud to be a partner in the effort to bolster these cooperatives and help them increase the value and appeal of the products and services they deliver.”

For example, The Alaska Cooperative Development Program will receive a \$197,783 grant. Administered by the University of Alaska Center for Economic Development in Anchorage, it is delivered through a collaborative partnership between the University of Alaska Fairbanks Cooperative Extension Service, and the University of Alaska Fairbanks School of Natural Resources and Agricultural Sciences.

The goal of the Alaska Cooperative Development Program (ACDP) is to create new and retain existing jobs, improve the quality of jobs, raise the local tax base, and improve the general economic conditions in rural Alaska by encouraging the use of the cooperative business model to support local entrepreneurial small businesses to achieve economies of scale necessary for market access. The cooperative development program will be implemented throughout rural Alaska. It will assist groups interested in establishing new cooperatives and will strengthen existing co-ops. It will do this by offering technical assistance and education programs that emphasize economic viability and that focus on advancing disadvantaged groups.

The Alaska Cooperative Development Program began with a grant from USDA Rural Development in November 2006. Since then it has provided assistance to groups forming co-ops, and has provided technical assistance to help existing cooperatives function more effectively. The ACDP has also conducted a situational analysis of the state of cooperatives in Alaska. This analysis showed that Alaska’s co-ops are working in isolation, and that they know very little about other cooperatives at a local, state or national level. This deprives them of one of the great benefits of the cooperative model – mutual support. Therefore, the overarching task of the ACDP under this grant is to foster the formation of a community of cooperatives in Alaska.

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The grants announced today are being provided by USDA Rural Development's Rural Cooperative Development Grant program. The funds may be used for technical assistance, research and informational materials to help rural residents form cooperative businesses or improve the operations of existing cooperatives. These grants are part of USDA Rural Development's annual budget and are not funded through the American Recovery and Reinvestment Act of 2009.

USDA Rural Development's mission is to increase economic opportunity and improve the quality of life for rural residents. Rural Development fosters growth in homeownership, finances business development, and supports the creation of critical community and technology infrastructure. Further information on rural programs is available at a local USDA Rural Development office or by visiting USDA Rural Development's web site at [www.rurdev.usda.gov/rbs/coops/csdir.htm](http://www.rurdev.usda.gov/rbs/coops/csdir.htm).

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