



NEWS RELEASE

United States Department of Agriculture • Rural Development
World Wide Web: <http://www.rurdev.usda.gov>

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USDA ESTABLISHES A PILOT PROJECT FOR RENEWABLE ENERGY

Funding Small Businesses That Generate Energy Production From Cattle Products

WASHINGTON, May 17, 2004—Agriculture Secretary Ann M. Veneman today announced a new loan guarantee pilot project aimed at developing renewable energy systems from the use of livestock as a raw material.

“This program will provide guaranteed loans for rural small businesses to develop the means to effectively destroy these specified risk materials from cattle while providing a bio-based source of energy,” Veneman said.

In January, USDA expanded the list of specified risk materials prohibited in the food supply as an additional firewall to bovine spongiform encephalopathy (BSE). In addition, the Food and Drug Administration announced that it intends to prohibit specified risk materials in food regulation by the agency.

The maximum amount of total loan guarantees under the pilot program will be \$50 million. USDA anticipates up to three awards will be made. There is no dollar restriction associated with any one award provided the amount requested is within the \$50 million allotted. The amount of the loan guarantee cannot exceed 50 percent of the total project cost.

Applicants must submit their application and one copy to the USDA State Rural Development Office where the proposed project is located or where the borrower is headquartered. The notice of funding availability appears in the May 18 *Federal Register* at website <http://www.rurdev.usda.gov/rbs/nofaREGLpilot.pdf>. All applications must be received by August 16.

In North Dakota, applicants may contact Dale Van Eckhout at 800-582-1584 Ext. 5, located in the State Office in Bismarck, or email dale.vaneckhout@nd.usda.gov.

USDA Rural Development serves as the lead federal entity for rural economic and community development needs. Its mission is to deliver programs that will support increased economic opportunity and improve the quality of life for rural residents. It administers financial and technical assistance to finance and foster growth in homeownership, business development and critical community and technology infrastructure. ***Rural Development is committed to the future of rural communities.***

In Fiscal Year 2003, USDA Rural Development provided over **\$73.5 million dollars** in loan and grant financing to North Dakota citizens.

Committed to the future of rural communities.