Key Points
USDA Rural Development
(U. S. Department of Agriculture Rural Development Programs)
Rural Business Cooperative Service

Intro: The Rural Development State Office, located in Bozeman, administers three U. S. Department of Agriculture programs, supporting such essential public facilities and services as water and sewer systems, housing, health clinics, emergency service facilities and electric and telephone service. Rural Development promotes economic development by supporting loans to businesses through banks and community-managed lending pools, and provides technical assistance to cooperatives or community groups. The Rural Business Cooperative Service provides a number of loan and grant programs to help build, sustain and grow rural businesses and rural cooperatives.

Programs funded

1. Rural Business Opportunity Grants (RBOG) that promote sustainable economic development by funding economic development planning, technical assistance, or training.
2. Rural Cooperative Development Grants (RCDG) that fund the establishment and operation of centers for rural cooperative development.
3. Rural Economic Development Grants (REDG) and Loans (REDL) that fund Community Programs in order to promote economic development and job creation projects in rural communities.
4. Community Facilities (CF) Grants, Guaranteed Loans, and Direct Loans fund the construction, expansion and improvements of certain community facilities.
5. Value-Added Producer Grants (VAPG) help producers to develop businesses that produce and market value-added agricultural products.
6. Intermediary Relending Program provides one percent loans to nonprofit organizations for the establishment of revolving loan funds (RLFs).
7. Business and Industry Guaranteed Loans fund the creation and maintenance of employment in rural communities by financially backing new and expanding businesses.
8. Renewable Energy and Energy Efficiency Grants and Guaranteed Loans finance the implementation of renewable energy production systems and the implementation of systems designed to increase energy efficiency of agricultural producers or rural small businesses.

Eligibility

Generally, Rural Development services are for areas with less than 20,000 in population. Some are further restricted to communities with less than 10,000 or 5,000, with income limits as well. Each of the RBS program has specific eligibility requirements for each program offered.

Eligibility details for each program are available on the table attached, on the respective Internet sites (below), and through discussion with program directors.
Application Process

After exploring the appropriate web site pages (below), applicants should contact Program Directors for each area to discuss potential grant or loan projects and learn detailed application requirements. Rural Development staff will be glad to discuss a community’s needs and the services available from Rural Development and sister agencies within the USDA. Potential applicants in Yellowstone County should contact the County Commissioners and Big Sky EDA to inform both of interest in County sponsorship of a proposal.

Deadlines

Deadlines are variable for each program. Applicants should inquire about deadlines once the appropriate area and program are determined.

Resources for more information

1. Rural Business Cooperative Service
   Program Director is John D. Guthmiller, phone (406) 585-2549

   The Montana State Office for USDA Rural Development is at P. O. Box 850, Bozeman, MT 59771. Phone number is (406) 585-2580.

   The Billings Area Office is at Building A, 1629 Avenue D, Billings, MT 59102. Phone number is (406) 657-6297, Extension 4.

   Internet address is http://www.rurdev.usda.gov/mt

[Aside from USDA, another Federal agency, the U. S. Department of Housing and Urban Development's Office of Rural Housing and Economic Development, addresses some rural development issues. See their Internet site, the Rural Housing and Economic Development Gateway, at http://www.hud.gov/offices/cpd/economicdevelopment/programs/rhed/gateway/index.htm.]

Please see tables on the following pages for details of each program.

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<th>USDA Rural</th>
<th>Application</th>
<th>Who is eligible?</th>
<th>Types of Programs Funded</th>
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Information compiled as a community service by Big Sky EDA
www.bigskyeda.org
| Development Business & Cooperative Grant Program | Deadline | • public bodies  
   • nonprofit corporations  
   • Indian tribes (Federally recognized)  
   • cooperatives with members that are primarily rural residents | • economic planning for rural communities  
   • technical assistance for rural businesses  
   • training for rural entrepreneurs or economic development officials |
|------------------------------------------------|----------|---------------------------------------------------------|
| Rural Business Opportunity Grants               | May      | • nonprofit corporations  
   • higher education institutions | • establishment and operation of centers for rural cooperative development  
   • applied research, feasibility, environmental, or other studies by cooperatives  
   • collection, interpretation and dissemination of principles, facts or technical knowledge by cooperatives  
   • provision of training, instruction, loans, grants, technical assistance, research services, and advisory services by cooperatives |
| Rural Cooperative Development Grants             | April    | • Community Programs’ (CP) borrowers which may include:  
   • public bodies  
   • nonprofit corporations  
   • Indian tribes (Federally recognized) | • establishment of revolving loan funds (RLFs) to finance community facilities and infrastructure  
   • project feasibility studies/technical assistance  
   • business incubators established by nonprofits  
   • community development assistance for nonprofits and public bodies  
   • projects through public, for-profit, or nonprofit entities to provide education and training to rural residents to facilitate economic development  
   • projects through public, for-profit, or nonprofit entities to provide medical care to rural residents |
| Rural Economic Development Grants                 | 1st Quarter  
   2nd Quarter:  
   3rd Quarter  
   4th Quarter | • public bodies  
   • nonprofit corporations or associations  
   • Indian tribes (Federally recognized) | • construction, enlargement, extension, or improvement of essential community facilities which include, among others:  
   • clinics, hospitals, nursing homes and rehab centers  
   • adult and child day cares, community centers, city halls and courthouses  
   • libraries, museums, public and vocational schools  
   • airport hangars, bridges, city airports, street improvements and sidewalks |
| Community Facility Grants                         | OPEN     | • public bodies  
   • nonprofit corporations or associations  
   • Indian tribes (Federally recognized) | |

* Community Programs is a division of the USDA Rural Development’s Housing and Community Facilities Programs that administers grant and loan programs for community facilities.
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| Renewable Energy and Energy Efficiency Grants               | May                  | • agricultural producers  
• rural small businesses | • projects that reduce energy use and result in savings for the eligible applicant, excluding energy efficiency improvements in new building construction  
• projects that produce energy from wind, solar, biomass, geothermal, and hydrogen-based sources |
| Value-Added Producer Grants   | February             | • independent producers  
• farmer or rancher cooperatives  
• agricultural producer groups  
• majority-controlled producer-based business ventures | • planning activities (i.e. feasibility studies and business plan development) for processing and marketing value-added agricultural products (VAAPs)  
• working capital expenses (i.e. inventory, salaries and office supplies) for processing and marketing VAAPs |

(Continued on the next page.)

* Value-Added Agricultural Products are those that changed in physical state (i.e. wheat into flour), differentiated in marketing (i.e. organic tomatoes), product segregated (i.e. identity-preserved corn), or used for the production of farm- or ranch-based renewable energy.
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<th><strong>USDA Rural Development Business &amp; Cooperative Loan Program</strong></th>
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| Rural Economic Development Loans                               | 1<sup>st</sup> Quarter  | • Community Programs’ (CP) borrowers which may include:  
• public bodies  
• nonprofit corporations  
• Indian tribes (Federally recognized) | • provides zero interest rate loans for the following types of projects:  
• project feasibility studies  
• start-up costs  
• other reasonable expenses  
• community antenna television systems or facilities if they are used in conjunction with educational or medical entities and projects |
|                                                               | 2<sup>nd</sup> Quarter  |                       |                             |
|                                                               | 3<sup>rd</sup> Quarter  |                       |                             |
|                                                               | 4<sup>th</sup> Quarter  |                       |                             |
| Intermediary Relending Program                                 | 1<sup>st</sup> Quarter  | • nonprofit organizations | • provides one percent loans for the establishment of revolving loan fund (RLF) programs that fund:  
• establishment of new businesses  
• expansion of existing businesses  
• creation of employment opportunities  
• preservation of existing jobs  
• community development projects |
|                                                               | 2<sup>nd</sup> Quarter  |                       |                             |
|                                                               | 3<sup>rd</sup> Quarter  |                       |                             |
|                                                               | 4<sup>th</sup> Quarter  |                       |                             |
| Business & Industry Guaranteed Loan Program                    | OPEN                     | • any legal entity or business which will save or create jobs in areas outside any city with a population of 50,000 or more and its adjacent urban area | • purchase and expansion of land, buildings, and equipment  
• working capital  
• value-added agricultural production  
• tourism and recreational facilities |
|                                                               |                         |                       |                             |
| Community Facility Guaranteed Loans                            | OPEN                     | • public bodies  
• nonprofit organizations  
• Indian tribes (Federally recognized) | • guarantees loans made by eligible lenders to improve, develop and construct essential community facilities which may include:  
• clinics, hospitals, nursing homes and rehab centers  
• adult and child day cares, community centers, city halls and courthouses  
• libraries, museums, public and vocational schools  
• airport hangars, bridges, city airports, street improvements and sidewalks |
|                                                               |                         |                       |                             |
| Community Facility Direct Loans                                | OPEN                     | • public bodies  
• nonprofit organizations  
• Indian tribes (Federally recognized) | • provides loans for the establishment of revolving loan fund (RLF) programs that fund:  
• establishment of new businesses  
• expansion of existing businesses  
• creation of employment opportunities  
• preservation of existing jobs  
• community development projects |

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