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## **USDA distributes \$15 mil. in rural development loans & grants**

**By Agri-Pulse Staff**

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Agriculture Secretary Tom Vilsack announced Wednesday that 28 organizations in 11 states will receive \$15 million in USDA loans and grants to create or retain jobs and spur economic development in rural communities.

“These funds help rural communities build stronger local economies,” Vilsack said. “One of this program’s strengths is that USDA works with organizations that are best positioned to help address an area’s economic needs. The Obama administration is committed to working with local community leaders to increase economic opportunities and improve the quality of life for rural Americans.”

The funding is being provided to rural utility and telephone cooperatives through USDA Rural Development’s Rural Economic Development Loan and Grant program. Recipients will re-lend loan funds to local businesses. The grants will be used to establish rural revolving loan funds which will be used to make loans to new and expanding rural businesses to create or retain jobs in rural areas.

For example, USDA Rural Development plans to lend Caney Fork Electric Cooperative \$740,000 to assist Norcom of Tennessee, Inc., as it builds a 23,000-square-foot manufacturing facility in Sparta, TN, nearly doubling the size of the existing plant. The project is expected to retain 70 jobs and create 100 new, well-paying manufacturing jobs with full benefits, including health care, for local residents. It also is expected to provide an immediate economic boost to an area with an unemployment rate among the highest in the state and almost twice the national average. Norcum manufactures composite plastics for the health care and automotive industries.

In Kansas, USDA will lend \$740,000 to Lane-Scott Electric Cooperative Inc. to finance Prairie Fire BioEnergy Cooperative’s construction of a plant, near Healy, KS, that produces fuel pellets from local agricultural waste. The pellets are intended for residential and commercial use and are a form of renewable energy. This project is expected to create 19 “green energy” jobs. The crop residue from which the pellets are produced is grown by local farmers, multiplying the economic impact of the loan. Prairie Fire has already received a \$300,000 USDA Rural Development Value Added Producer Grant. As

an example of how businesses can leverage Rural Development funds with additional resources, Prairie Fire is providing \$1.4 million to the project and has received a \$1.2 million loan from a lending institution. The number of jobs created is significant given that Lane County, where the plant is located, has a population of less than 2,000 people. From 1980 to 2000, the county's population fell 13 percent. The new jobs will help stem the population decline.

The following is a complete list of groups selected to receive Rural Economic Development awards. Funding of individual recipients is contingent upon their meeting the terms of the loan or grant agreement.

### **Rural Economic Development Loans**

East Mississippi Electric Power Association MS \$740,000  
Adams Electric Cooperative IL \$740,000  
North Alabama Electric Cooperative, Inc. AL \$140,000  
Caney Fork Electric Cooperative, Inc. (Norcom of Tennessee, Inc.) TN \$740,000  
Franklin County Rural Electric Cooperative IA \$740,000  
Dakota Valley Electric Cooperative, Inc. ND \$740,000  
Midwest Energy, Inc. KS \$740,000  
Heartland Rural Electric Cooperative, Inc. KS \$614,000  
Singing River Electric Power Association MS \$740,000  
Caney Fork Electric Cooperative, Inc. (Warren County Industrial Development Board)  
TN \$740,000  
Sedgwick County Electric Cooperative Association, Inc. KS \$500,000  
Lane-Scott Electric Cooperative, Inc. KS \$740,000  
Rural Telephone Service Company, Inc. KS \$740,000  
Steele Waseca Cooperative Electric MN \$740,000  
Southern Indiana REC IN \$740,000  
Heartland Rural Electric Cooperative, Inc. KS \$600,000  
Stearns Electric Association MN \$647,360  
Tri-County Electric Cooperative, Inc. SC \$647,360  
TOTAL \$12,028,720

### **Rural Economic Development Grants**

North West Rural Electric Cooperative IA \$300,000  
Appalachian Electric Cooperative TN \$300,000  
Consumers Energy (GMG Community Schools) IA \$300,000  
Corn Belt Power Cooperative IA \$300,000  
Consumers Energy (Gladbrook-Reinbeck Community School District) IA \$300,000  
Iowa Lakes Electric Cooperative IA \$290,000  
Caney Fork Electric Cooperative, Inc. (Warren County Electric Cooperative, Inc.) TN  
\$300,000  
Riverland Energy Cooperative WI \$300,000  
Bayfield Electric Cooperative WI \$300,000  
Tri-County Electric Cooperative, Inc. SC \$300,000  
TOTAL \$2,990,000

More information on rural programs is available at a local USDA Rural Development office or by visiting USDA Rural Development's web site at <http://www.rurdev.usda.gov>