

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

Table of Contents

| | |
|---|----|
| Preface..... | 1 |
| Agency-Wide | 1 |
| Purpose Statement | 1 |
| OIG and GAO Reports | 3 |
| Available Funds and FTEs | 4 |
| Account 1: Rural Business Programs..... | 5 |
| Appropriations Language | 5 |
| Lead-Off Tabular Statement..... | 5 |
| Project Statements | 6 |
| Justification of Changes | 8 |
| Geographic Breakdown of Obligations | 13 |
| Classification by Objects..... | 16 |
| Account 2: Intermediary Relending Program | 17 |
| Appropriations Language | 17 |
| Lead-Off Tabular Statement..... | 17 |
| Project Statements | 18 |
| Justification of Changes | 19 |
| Geographic Breakdown of Obligations | 20 |
| Classification by Objects..... | 20 |
| Account 3: Rural Economic Development Loans..... | 21 |
| Appropriations Language | 21 |
| Lead-Off Tabular Statement..... | 21 |
| Project Statements | 22 |
| Justification of Changes | 23 |
| Geographic Breakdown of Obligations | 24 |
| Classification by Objects..... | 24 |
| Account 4: Rural Economic Development Grants..... | 25 |
| Lead-Off Tabular Statement..... | 25 |
| Project Statements | 25 |
| Justification of Changes | 27 |
| Geographic Breakdown of Obligations | 27 |
| Classification by Objects..... | 29 |
| Account 5: Rural Cooperative Development Grants | 31 |
| Appropriations Language | 31 |
| Lead-Off Tabular Statement..... | 31 |
| Project Statements | 32 |
| Justification of Changes | 34 |

| | |
|--|----|
| Geographic Breakdown of Obligations | 36 |
| Classification by Objects..... | 40 |
| Account 6: Rural Microentrepreneur Assistance Program | 41 |
| Appropriations Language | 41 |
| Lead-Off Tabular Statement..... | 41 |
| Project Statements | 42 |
| Justification of Changes | 44 |
| Geographic Breakdown of Obligations | 45 |
| Classification by Objects..... | 46 |
| Account 7: Rural Energy for America Program | 47 |
| Appropriations Language | 47 |
| Lead-Off Tabular Statement..... | 47 |
| Project Statements | 48 |
| Justification of Changes | 50 |
| Geographic Breakdown of Obligations..... | 51 |
| Classification by Objects..... | 58 |
| Account 8: Healthy Foods Financing Initiative | 59 |
| Appropriations Language | 59 |
| Lead-Off Tabular Statement..... | 59 |
| Project Statements | 59 |
| Justification of Changes | 60 |
| Geographic Breakdown of Obligations..... | 60 |
| Classification by Objects..... | 61 |
| Account 9: Biorefinery Assistance Program, Renewable Chemical, and Biobased Product Manufacturing Assistance | 63 |
| Project Statements | 63 |
| Justification of Changes | 64 |
| Geographic Breakdown of Obligations..... | 64 |
| Classification by Objects..... | 64 |
| Account 10: Energy Assistance Payments..... | 65 |
| Project Statements | 65 |
| Geographic Breakdown of Obligations..... | 67 |
| Classification by Objects..... | 68 |
| Status of Programs..... | 69 |

PREFACE

This publication summarizes the fiscal year (FY) 2025 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the “Budget” is in regard to the 2025 Budget, unless otherwise noted. All references to years refer to fiscal year, except where specifically noted. The budgetary tables throughout this document show actual amounts for 2022 and 2023, annualized Continuing Resolution levels for 2024, and the President’s Budget request for 2025. Amounts for 2024 estimated levels include: non-enacted amounts such as Full-Time Equivalent levels, fleet levels, information technology investment levels, recovery levels, transfers in and out, balances available end of year, and obligation levels.

Throughout this publication, the “2018 Farm Bill” is used to refer to the Agriculture Improvement Act of 2018. Most programs funded by the 2018 Farm Bill are funded through 2023. Amounts shown in 2024 and 2025 for most Farm Bill programs reflect those confirmed in the baseline.

Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, sequestration is included in the numbers for mandatory programs in 2022, 2023, 2024 and 2025.

In tables throughout this document, amounts equal to zero (0) are displayed as dashes (-). Amounts less than 0.5 and greater than zero are rounded and shown as a zero (0). This display treatment is used to prevent the masking of non-zero amounts that do not round up to one (1).

AGENCY-WIDE

PURPOSE STATEMENT

USDA Rural Development’s (RD) Business – Cooperative Programs provide loans, loan guarantees, grants, and payments designed to increase economic opportunity in rural America.

Business and Industry Guaranteed Loan Program – Authorized by section 310B of the Consolidated Farm and Rural Development Act, 7 U.S.C. 1932(g). The guaranteed loan program supports financing for business and industrial acquisition, construction, conversion, enlargement, repair or modernization in rural areas not in a town or city with a population of more than 50,000.

Rural Business Development Grants (RBDG) – Authorized by section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(c)) as amended by section 6012 of the Agricultural Act of 2014 (P.L. 113-79) and reauthorized by section 6411 of the Agriculture Improvement Act of 2018 (P.L. 115-334). This grant program is designed to benefit small and emerging private businesses and cooperatives in rural areas by providing grant and technical assistance for economic and community development. This grant program will assist a wide range of recipients, including economic development organizations, business and community intermediaries, universities, and Indian tribes.

Intermediary Relending Program (IRP) – Authorized by section 310H of the Consolidated Farm and Rural Development Act (7 U.S.C. 1936b) as added by section 6017 of the Agricultural Act of 2014 (P.L. 113-79). This program provides low-interest loans to local lenders or intermediaries that re-lend to businesses in rural areas. Revolving loan programs, such as the IRP, address the lack of available credit and financial market conditions that exist in many rural communities, especially for smaller entities, service businesses and start-up activities. These conditions often limit the ability of rural economies to create jobs, enhance amenities, and increase incomes to enable rural families to prosper.

Rural Economic Development Loans and Grants (REDLG) – Authorized by section 313B of the Rural Electrification Act of 1936, as amended by section 6504(c) of the Agriculture Improvement Act of 2018 (7 U.S.C. 940c(b)(2)). This program provides zero-interest loans and small grants to electric and telephone utilities eligible for financing through the RD utilities programs, which in turn use the funding to promote sustainable rural economic development and job creation projects and to capitalize revolving loan funds for economic development and job creation purposes.

Rural Business Investment Program (RBIP) – Authorized by section 384S of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009cc et seq.) as added by section 6029 of the Farm Security and Rural Development

Investments Act of 2002 (P.L. 107-171), reauthorized by section 6028 of the Agricultural Act of 2014 (P.L. 113-79), and amended by section 6426 and reauthorized by section 6427 of the Agriculture Improvement Act of 2018 (P.L. 115-334). RBIP is designed to promote economic development and create wealth and job opportunities among individuals living in rural areas and help meet the equity capital investment needs primarily of smaller enterprises located in such areas. Under the RBIP, for-profit Rural Business Investment Companies (RBIC) make venture capital investments in rural areas with the objectives of fostering economic development in such areas and returning maximum profits to the RBIC's investors.

Rural Energy for America Program (REAP) – Authorized by section 9007 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107) as added by section 9001(a) of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246), amended and reauthorized by section 9007 of the Agricultural Act of 2014 (P.L. 113-79), and amended and reauthorized by section 9007 of the Agriculture Improvement Act of 2018 (P.L. 115-334). Section 9007 guaranteed loans and grants help farmers, ranchers and rural small businesses purchase and install renewable energy systems and make energy efficiency improvements. Renewable energy projects benefit agricultural producers and rural small businesses with new and sustainable income streams; reduced reliance on fossil fuels; and an improved environment. Energy efficiency projects also reduce the cost of production and business operations. Grants may also be used for energy audits.

Biobased Markets Program – Authorized by Section 9002 of the Farm Security and Rural Investments Act of 2002 (7 U.S.C. 8102), amended and reauthorized by section 9002 of the Agricultural Act of 2014 (P.L. 113-79), and amended and reauthorized by section 9002 of the Agriculture Improvement Act of 2018 (P.L. 115-334). The Biobased Markets Program increases the purchase and use of biobased products to spur economic development, create new jobs, and provide new markets for farm commodities. The two major parts of the program are: mandatory purchasing requirements for federal agencies and their contractors; and a voluntary “BioPreferred” labeling initiative for producers for biobased products.

Rural Cooperative Development Grants (RCDG) – Authorized by section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)). RCDGs improve the economic condition of rural areas by promoting a range of cooperative development activities. Grants are made to nonprofit corporations and institutions of higher education to operate centers for cooperative development.

Small Socially-Disadvantaged Producers Grants – Authorized by section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)). Grants to cooperative development centers, cooperatives, or associations of cooperatives whose primary focus is to assist small, minority agricultural producers in rural areas and whose governing board and/or membership is comprised of at least 75 percent socially disadvantaged members. Grants may be used for developing business plans, conducting feasibility studies, or developing marketing plans for farmers, ranchers, loggers, agricultural harvesters, and fishermen.

Cooperative Research Agreements – Authorized by the Cooperative Marketing Act of 1926 (7 U.S.C. 453). Cooperative agreements are used to encourage research on critical issues vital to the development and sustainability of cooperatives as a means of improving the quality of life in America's rural communities. Research proposals are solicited from institutions of higher education or non-profit organizations interested in applying for competitively awarded cooperative agreements for research related to agricultural and nonagricultural cooperatives serving rural communities.

Cooperative Education and Research Program – Authorized by the Cooperative Marketing Act of 1926 (7 U.S.C. 453). The cooperative program conducts applied research on practical issues and problems facing cooperatives and disseminates information to farmers and the general public on dealing with these issues. A range of educational activities and materials are developed to increase public awareness of cooperative strategies that can increase rural economic activity.

Technical Assistance to Cooperatives Program – Authorized by the Cooperative Marketing Act of 1926 (7 U.S.C. 453). The program provides advice and assistance to existing cooperatives and groups of farmers contemplating the formation of cooperatives. Technical assistance studies are provided at the request of a cooperative or steering committee at no fee and may cover a range of business operational, organizational, financial, or developmental topics and problems.

Appropriate Technology Transfer for Rural Areas (ATTRA) Program – Authorized by section 310B of the Consolidated Farm and Rural Development Act of 2008 (7 U.S.C. 1932(i)) as added by section 6016 of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246). ATTRA provides information to farmers and other rural users on a variety of sustainable agricultural practices that include both crop and livestock operations. The program encourages agricultural producers to adopt sustainable agricultural practices that allow them to maintain or improve profits, produce high quality food, and reduce adverse impacts to the environment.

Rural Microentrepreneur Assistance Program – Authorized by section 379E(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008s) as added by section 6022 of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246). The purpose of the program is to support the development and ongoing success of rural microentrepreneurs and microenterprises. Direct loans and grants are provided to microentrepreneurs development organizations with the skills necessary to establish new rural microenterprises and continuing technical and financial assistance related to the successful operation of rural microenterprises.

Biorefinery Assistance Program – Authorized by section 9003 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8103) as added under section 9001(a) of the Agricultural Act of 2014 (P.L. 113-79) and amended and reauthorized by section 9003 of the Agriculture Improvement Act of 2018 (P.L. 115-334). The purpose of the program is to assist in the development of new and emerging technologies for the production/manufacture of advanced biofuels, renewable chemicals, and biobased products. The program will increase energy independence, promote resource conservation, diversify markets for agricultural and forestry products, create jobs, and enhance economic development in rural economies.

Bioenergy Program for Advanced Biofuels – Authorized by section 9005 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8105) as added under section 9001(a) of the Agricultural Act of 2014 (P.L. 113-79) and amended and reauthorized by section 9005 of the Agriculture Improvement Act of 2018 (P.L. 115-334). The program makes payments to eligible producers to support and ensure an expanding production of advanced biofuels. Advanced biofuels are defined as “fuel derived from renewable biomass other than corn kernel starch” in 7 U.S.C. 8101(3). To receive a payment, an eligible producer shall enter into a contract with the Secretary of Agriculture for production of advanced biofuels.

Rural Innovation Stronger Economy (RISE) Program – Authorized by section 379I of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008w) as added by section 6424 of the Agriculture Improvement Act of 2018 (P.L. 115-334) to make grants available to help eligible entities establish jobs accelerators and Innovation Centers to support the rural workforce by helping rural communities identify and maximize local assets and connect to regional opportunities, networks, and industry clusters.

Local Agriculture Market Program (LAMP) – Authorized by section 210A of the Agricultural Marketing Act of 1946 (7 U.S.C. 1627c note) as added by section 10102 of the Agriculture Improvement Act of 2018 (P.L. 115-334). This program combines and streamlines two existing local and regional food system programs, the Farmers Market and Local Food Promotion Program and Value-Added Producers Grant Program. The Value-Added Producer Grant (VAPG) was authorized by section 231 of the Agricultural Risk Protection Act of 2000 (P.L. 106-224), as amended, and enables producers of agricultural commodities to participate in the economic returns found in the value-added market. Grants may be used to develop business plans and strategies for creating marketing opportunities.

RD is comprised of three agencies: Rural Housing Service, Rural Utilities Service, and Business-Cooperative Service. RD’s headquarter is located in Washington, DC. As of September 30, 2023, there were 4,450 permanent full-time employees, including 391 in the headquarters office and 4,059 in the field offices.

OIG AND GAO REPORTS

Table RBCS-1. Closed, Implemented OIG Reports

| ID | Date | Title | Result |
|---------------|-------------|--|---------------------|
| GAO-23-106113 | 10/31/2022 | Economic Development: Status of Recommendations on Empowerment Zones and Other Selected Community Investment Initiatives | No recommendations. |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

| ID | Date | Title | Result |
|------------|------------|---|---|
| GAO-21-579 | 01/31/2023 | Economic Development: Opportunities Exist for Further Collaboration among EDA, HUD and USDA | Recommendation 5 – GAO found that RD should work with the Economic Development Administration (EDA) and the Department of Housing and Urban Development (HUD) to identify opportunities to USDA in the agencies’ collaborative efforts on community and economic development strategic planning. USDA provided examples of formal collaboration efforts between USDA and EDA. |

AVAILABLE FUNDS AND FTES

Table RBCS-2. Available Funds (thousands of dollars)

| Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|---|----------------|----------------|-------------------|-------------------|
| Rural Business Programs: | | | | |
| Discretionary Appropriations..... | \$73,125 | \$86,520 | \$86,520 | \$54,500 |
| Intermediary Relending Program: | | | | |
| Discretionary Appropriations..... | 5,548 | 7,781 | 7,781 | 10,902 |
| Rural Cooperative Development Grants: | | | | |
| Discretionary Appropriations..... | 27,600 | 28,300 | 28,300 | 28,300 |
| Mandatory Appropriations..... | 17,938 | 17,938 | 17,938 | 17,938 |
| Rural Microentrepreneur Assistance Program: | | | | |
| Discretionary Appropriations..... | 3,350 | 5,182 | 6,000 | 6,518 |
| Rural Energy for America Program: | | | | |
| Discretionary Appropriations..... | 12,920 | 18 | - | - |
| Mandatory Appropriations..... | 47,150 | 47,150 | 47,150 | 47,150 |
| Supplemental Appropriations | 965,000 | 212,090 | 200,001 | 200,001 |
| Health Foods Financing Initiative: | | | | |
| Discretionary Appropriations..... | 5,000 | 3,000 | 3,000 | 3,000 |
| Energy Assistance Payments: | | | | |
| Mandatory Appropriations..... | 106,601 | 6,601 | 6,601 | - |
| Supplemental Appropriations | 500,000 | - | - | - |
| Rural Economic Development Grants: | | | | |
| Mandatory Appropriations..... | 4,715 | 4,715 | 4,715 | - |
| Total Discretionary Appropriations | 127,543 | 130,801 | 131,601 | 103,220 |
| Total Mandatory Appropriations | 176,404 | 76,404 | 76,404 | 65,088 |
| Total Supplemental Appropriations | 1,465,000 | 212,090 | 200,001 | 200,001 |
| Total Adjusted Appropriation | 1,768,947 | 419,295 | 408,005 | 368,308 |
| Balance Available, SOY | 333,980 | 1,900,591 | 1,705,252 | 141,491 |
| Balances Interchange | 5,363 | - | - | - |
| Rescinded Balances | - | -639 | -177,350 | -8,000 |
| Recoveries, Other..... | 28,123 | 87,907 | 16,637 | 15,747 |
| Total Available..... | 2,136,413 | 2,407,154 | 1,952,544 | 517,546 |
| Lapsing Balances | -110 | -1,598 | - | - |
| Balance Available, EOY | -1,900,591 | -1,705,252 | -141,491 | -30,285 |
| Total Obligations | 235,712 | 700,304 | 1,811,053 | 487,260 |
| Other Funding: | | | | |
| Rural Economic Development Loans | 2,207 | 6,981 | 6,981 | 14,011 |
| Rural Economic Development Grants | 4,715 | 9,430 | 9,430 | 9,430 |
| Total Appropriation, Other Funding | 6,922 | 16,411 | 16,411 | 23,441 |
| Balance Available, SOY (enter with plus)..... | 245,930 | 51,232 | 90,783 | 36,223 |
| Recoveries, Other (enter with plus) | 17,030 | 46,490 | 7,740 | 64 |
| Total Available, Other Funding | 269,881 | 114,132 | 114,933 | 59,727 |
| Bal. Available, EOY (enter with minus)..... | -51,232 | -90,783 | -36,223 | -33,419 |
| Total Obligations, Other funding..... | 218,649 | 23,349 | 78,710 | 26,308 |
| Total Obligations, RBCS | 454,362 | 723,653 | 1,889,764 | 513,568 |
| Total Available, RBCS | 2,406,294 | 2,521,286 | 2,067,477 | 577,273 |

Note: The details associated with Supplemental appropriations provided to the Office of the Secretary, but implemented in Rural Development, is found in the USDA Budget Summary and is not reflected above.

ACCOUNT I: RURAL BUSINESS PROGRAMS

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

- 1 Rural Business Program Account (including transfers of funds)
 2
 3 For gross obligations for the principal amount of guaranteed loans as authorized by section 310B of the
 4 Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)). \$2,250,000,000.
 5
 6 For the cost of loan guarantees and grants, for the rural business development programs authorized by section 310B
 7 and described in subsections (a), (c), (f) and (g) of section 310B of the Consolidated Farm and Rural Development
 8 Act, [~~\$103,600,000~~]\$54,500,000 to remain available until expended: *Provided*, That of the amount appropriated
 9 under this heading, not to exceed \$500,000 shall be made available for one grant to a qualified national organization
 10 to provide technical assistance for rural transportation in order to promote economic development and \$9,000,000
 11 shall be for grants to the Delta Regional Authority (7 U.S.C. 2009aa et seq.), the Northern Border Regional
 12 Commission (40 U.S.C. 15101 et seq.), and the Appalachian Regional Commission (40 U.S.C. 14101 et seq.) for
 13 any Rural Community Advancement Program purpose as described in section 381E(d) of the Consolidated Farm and
 14 Rural Development Act, of which not more than 5 percent may be used for administrative expenses: *Provided*
 15 *further*, That \$4,000,000 of the amount appropriated under this heading shall be for business grants to benefit
 16 Federally Recognized Native American Tribes, including \$250,000 for a grant to a qualified national organization to
 17 provide technical assistance for rural transportation in order to promote economic development: *Provided further*,
 18 That of the amount appropriated under this heading, [~~\$7,000,000~~]\$4,000,000 shall be for the Rural Innovation
 19 Stronger Economy Grant Program (7 U.S.C. 2008w): *Provided further*, That sections 381E-H and 381N of the
 20 Consolidated Farm and Rural Development Act are not applicable to funds made available under this heading.

The first change (line 3 and 4 of paragraph 1) adds language for the program level requested for the Business and Industry Guaranteed Loan program. This makes it clear the amount requested in the Budget.

LEAD-OFF TABULAR STATEMENT

Table RBCS-3. Lead-Off Tabular Statement (In dollars)

| Item | Grants | Loan Level | Subsidy |
|-------------------------|-------------------|----------------------|------------------|
| Estimate, 2024 | \$48,000,000 | \$1,682,096,000 | \$38,520,000 |
| Change in Appropriation | + 2,000,000 | + 567,904,000 | -34,020,000 |
| Budget Estimate, 2025 | <u>50,000,000</u> | <u>2,250,000,000</u> | <u>4,500,000</u> |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

PROJECT STATEMENTS

Table RBCS-4. Project Statement on Basis of Appropriations (thousands of dollars)

| Item | 2022 Program Level | 2022 Actual BA | 2023 Program Level | 2023 Actual BA | 2024 Program Level | 2024 Estimated BA | 2025 Program Level | 2025 Estimated BA | Program Level Inc. or Dec. | Chg Key | Budget Authority Inc. or Dec. | Chg Key |
|---|--------------------------|-------------------|--------------------------|-------------------|--------------------------|----------------------|-----------------------|----------------------|----------------------------------|------------|-------------------------------------|------------|
| Discretionary Appropriations: | | | | | | | | | | | | |
| Business and Industry (B&I) Guaranteed Loans... | \$1,250,000 | \$25,125 | \$1,800,000 | \$38,520 | \$1,682,096 | \$38,520 | \$2,250,000 | \$4,500 | +\$567,904 | (1) | -\$34,020 | (5) |
| Rural Business Development Grants (RBDG)..... | 32,500 | 32,500 | 32,500 | 32,500 | 32,500 | 32,500 | 32,500 | 32,500 | - | (2) | - | |
| RBDG Native American Tribes | 3,750 | 3,750 | 3,750 | 3,750 | 3,750 | 3,750 | 3,750 | 3,750 | - | (2) | - | |
| RBDG Technical Assistance Transportation | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | - | (2) | - | |
| RBDG Native American Tribes Transportation.... | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | - | (2) | - | |
| Delta Regional Authority Grants..... | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | - | (3) | - | |
| Appalachian Regional Commission Grants | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | - | (3) | - | |
| Northern Border Regional Commission Grants | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | - | (3) | - | |
| Rural Innovation Stronger Economy (RISE) | | | | | | | | | | | | |
| Grants | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 4,000 | 4,000 | +2,000 | (4) | +2,000 | |
| Subtotal..... | 1,298,000 | 73,125 | 1,848,000 | 86,520 | 1,730,096 | 86,520 | 2,300,000 | 54,500 | +569,904 | | -32,020 | |
| Offsetting Collections: | | | | | | | | | | | | |
| Total Adjusted Approp..... | 1,298,000 | 73,125 | 1,848,000 | 86,520 | 1,730,096 | 86,520 | 2,300,000 | 54,500 | +569,904 | | -32,020 | |
| Total Appropriation..... | 1,298,000 | 73,125 | 1,848,000 | 86,520 | 1,730,096 | 86,520 | 2,300,000 | 54,500 | +569,904 | | -32,020 | |
| Balances Interchange (12X1951)..... | 99,502 | 2,000 | - | - | - | - | - | - | - | | - | |
| Balances Interchange (12X1980)..... | 167,313 | 3,363 | - | - | - | - | - | - | - | | - | |
| Recoveries, Other..... | 261,366 | 11,541 | 281,302 | 10,179 | 241,331 | 9,596 | 2,532,819 | 9,048 | +2,291,488 | | -548 | |
| Bal. Available, SOY..... | 53,726 | 3,500 | 50,549 | 8,577 | 75,966 | 5,838 | 2,720,534 | 10,418 | +2,644,568 | | +4,580 | |
| Total Available..... | 1,879,908 | 93,528 | 2,179,851 | 105,275 | 2,047,393 | 101,954 | 7,553,352 | 73,966 | +5,505,960 | - | -27,988 | - |
| Bal. Available, EOY..... | -53,323 | -8,577 | -80,997 | -5,838 | -242,153 | -10,418 | -4,271,624 | -13,387 | -4,029,471 | | -2,969 | |
| Total Obligations..... | 1,826,585 | 84,952 | 2,098,854 | 99,437 | 1,805,240 | 91,536 | 3,281,729 | 60,579 | +1,476,489 | | -30,957 | |

Note: The details associated with Supplemental appropriations provided to the Office of the Secretary, but implemented in this account, is found in the USDA Budget Summary and is not reflected above.

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

Table RBCS-5. Project Statement on Basis of Obligations (thousands of dollars)

| Item | 2022 | | 2023 | | 2024 | | 2025 | | Program Level Inc. or Dec. | Budget Authority Inc. or Dec. |
|--|------------------|--------------|------------------|--------------|------------------|-----------------|------------------|-----------------|-------------------------------|-------------------------------------|
| | Program Level | Actual BA | Program Level | Actual BA | Program Level | Estimated BA | Program Level | Estimated BA | | |
| Discretionary Obligations: | | | | | | | | | | |
| Business and Industry (B&I) Guaranteed Loans..... | \$1,777,358 | \$35,725 | \$2,043,140 | \$43,723 | \$1,753,868 | \$40,164 | \$3,227,605 | \$6,455 | +\$1,473,737 | -\$33,708 |
| Rural Business Development Grants (RBDG)..... | 33,281 | 33,281 | 38,864 | 38,864 | 34,524 | 34,524 | 35,803 | 35,803 | +1,279 | +1,279 |
| RBDG Native American Tribes | 4,168 | 4,168 | 5,060 | 5,060 | 4,193 | 4,193 | 4,556 | 4,556 | +363 | +363 |
| RBDG Technical Assistance Transportation | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | - | - |
| RBDG Native American Tribes Transportation..... | 250 | 250 | 250 | 250 | 500 | 500 | 250 | 250 | -250 | -250 |
| Delta Regional Authority Grants..... | 3,028 | 3,028 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | - | - |
| Appalachian Regional Commission Grants | 3,000 | 3,000 | 3,040 | 3,040 | 3,655 | 3,655 | 3,014 | 3,014 | -641 | -641 |
| Northern Border Regional Commission Grants | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | - | - |
| Rural Innovation Stronger Economy (RISE) Grants..... | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 4,000 | 4,000 | +2,000 | +2,000 |
| Subtotal Disc Obligations..... | 1,826,585 | 84,952 | 2,098,854 | 99,437 | 1,805,240 | 91,536 | 3,281,729 | 60,579 | +1,476,489 | -30,957 |
| Total Obligations..... | 1,826,585 | 84,952 | 2,098,854 | 99,437 | 1,805,240 | 91,536 | 3,281,729 | 60,579 | +1,476,489 | -30,957 |
| Balances Available, EOY: | | | | | | | | | | |
| Business and Industry (B&I) Guaranteed Loans..... | 45,664 | 918 | 76,802 | 1,644 | 237,166 | 5,431 | 4,266,770 | 8,534 | +4,029,604 | +3,102 |
| Rural Business Development Grants (RBDG)..... | 5,924 | 5,924 | 2,729 | 2,729 | 4,034 | 4,034 | 3,927 | 3,927 | -107 | -107 |
| RBDG Native American Tribes | 1,485 | 1,485 | 528 | 528 | 899 | 899 | 864 | 864 | -35 | -35 |
| RBDG Technical Assistance Transportation | - | - | 29 | 29 | 37 | 37 | 45 | 45 | +9 | +9 |
| RBDG Native American Tribes Transportation..... | 250 | 250 | 253 | 253 | 4 | 4 | 5 | 5 | +1 | +1 |
| Appalachian Regional Commission Grants | - | - | 655 | 655 | 14 | 14 | 13 | 13 | -1 | -1 |
| Total Bal. Available, EOY | 53,323 | 8,577 | 80,997 | 5,838 | 242,153 | 10,418 | 4,271,624 | 13,387 | +4,029,471 | +2,969 |
| Total Available..... | 1,879,908 | 93,528 | 2,179,851 | 105,275 | 2,047,393 | 101,954 | 7,553,352 | 73,966 | +5,505,960 | -27,988 |
| Less: | | | | | | | | | | |
| Balances Interchange (12X1951)..... | -99,502 | -2,000 | - | - | - | - | - | - | - | - |
| Balances Interchange (12X1980)..... | -167,313 | -3,363 | - | - | - | - | - | - | - | - |
| Recoveries, Other..... | -261,366 | -11,541 | -281,302 | -10,179 | -241,331 | -9,596 | -2,532,819 | -9,048 | -2,291,488 | +548 |
| Bal. Available, SOY..... | -53,726 | -3,500 | -50,549 | -8,577 | -75,966 | -5,838 | -2,720,534 | -10,418 | -2,644,568 | -4,580 |
| Total Appropriation..... | 1,298,000 | 73,125 | 1,848,000 | 86,520 | 1,730,096 | 86,520 | 2,300,000 | 54,500 | +569,904 | -32,020 |

Note: The details associated with Supplemental appropriations provided to the Office of the Secretary, but implemented in this account, is found in the USDA Budget Summary and is not reflected above.

JUSTIFICATION OF CHANGES**Rural Business Programs**

Rural Business and Cooperative Service (RBCS) programs work with local partners to invest in small business expansion, helping rural communities support existing local entrepreneurs and business owners and attract to new ones.

RBCS program funding requests address the following Strategic Goals, Objectives, and Justice 40 investments for Climate Change

Goal 1: Combat Climate Change to Support America’s Working Lands, Natural Resources and Communities: Strategic Objective 1.4: Increase Carbon Sequestration, Reduce Greenhouse Gas Emissions, and Create Economic Opportunities (and Develop Low-Carbon Energy Solutions). By supporting rural and tribal clean electricity generation and energy efficiency.

Goal 2: Ensure America’s Agricultural System is Equitable, Resilient, and Prosperous; Objective 2.2: Build Resilient Food Systems, Infrastructure, and Supply Chain by assessing the impact of the Department’s Build Back Better and American Rescue Plan investments on key outcomes using grant performance metrics for local and regional food systems (such as partnerships developed, business development changes, diversification and expanded market development), and the supply chain (such as feasibility studies conducted, value chain enhancements made, increased small food business activity, number of new market access points established).

Goal 5: Expand Opportunities for Economic Development and Improve Quality of Life in Rural and Tribal Communities: Objective 5.3: Increase Capacity, Sustainability, and Economic Vitality in Rural and Tribal Communities; and Objective 5.4: Promote Environmental Justice by Maximizing Sustainable and Green Economic Development in Rural and Tribal Communities.

RBCS programs contribute towards meeting Justice 40 commitments on Climate Change and racial equity. Business Programs provide financial backing and technical assistance to stimulate business creation and growth. The programs work through partnerships with public and private community-based organizations and financial institutions to provide financial and technical assistance, business development to rural businesses. These programs help to provide capital, equipment, space, job training, and entrepreneurial skills that can help to start and/or grow a business. Business Programs also support the creation and preservation of quality jobs in rural areas.

Loans, loan guarantees, and grants are available to individuals, businesses, cooperatives, farmers and ranchers, public bodies, non-profit corporations, Native American Tribes, and private companies in rural communities. The financial resources of the Business Programs are often leveraged with those of other public and private credit source lenders to meet business and credit needs in under-served areas. The funding is intended to help improve the quality of life in rural communities by enhancing economic opportunities and ensuring self-sustainability for generations to come.

The OneRD Guaranteed regulatory activity will advance the priority of making USDA a great place to work for everyone. Work defined for enablement of requirements is related to four regulations being combined into one. This work will be part of the enterprise loan servicing capabilities and may not need to be approached separately.

The numbers and letters of the following listing relates to values in the Change (Chg) Key column of the Project Statement:

1. An increase of \$567,904,000 in program level for the Business and Industry (B&I) Guaranteed Loans program (\$1,682,096,000 available in 2024).

The purpose of the Business and Industry (B&I) Guaranteed Loan Program is to improve the economic and environmental climate in rural communities through the development, improvement, or financing of business, industry, and employment. The program provides guarantees on loans made by private lenders to eligible rural borrowers. The B&I program provides guarantees for loans made to businesses that save or create jobs in rural areas. Borrowers may be individuals, partnerships, cooperatives, for-profit or non-profit corporations, Indian tribes, or public bodies. The program is open to new and existing businesses. Eligible business activities include manufacturing, wholesaling, retailing, providing services, and other activities that provide employment and

improve the economic or environmental climate. Loan funds are used to improve the quality of life in rural America by encouraging the establishment and capital growth of rural businesses and cooperatives, which ultimately improves the availability, stability, and quality of jobs in rural America. This program also strives to expand economic and trade opportunities for agricultural producers and other rural residents and build leveraging partnerships with State, local, and private conglomerates to expand the total amount of resources provided in rural areas. This program requires the borrowers to have sufficient capital or equity to mitigate the ongoing financial and operations risks of the business.

In 2023, the agency obligated \$2.043 billion for the B&I program, with \$1.818 billion in the 3 percent fee loans program, the funding created/saved 10,00 jobs. The program obligated more funds in 2023 than in any individual year since at least 2018. Over the last six years, the B&I Guaranteed program obligated over \$9.7 billion in guaranteed loans to businesses, public bodies, cooperatives, and other vital community partners across the Nation. In that time, 16 percent of the funds have been obligated to persistent poverty areas. The Southern region of the Nation, where unemployment and poverty rates rank among the highest, has received over \$5.1 billion in B&I Guaranteed loan funds during the same period. In 2023, the agency continued investing funds in this region, with \$926.5 million or approximately 47 percent of obligations occurring in the South.

The largest investment segments funded in 2023 through the B&I guaranteed loans have been in the accommodation and food services sector and the mining, quarrying, and oil and gas extraction sector, totaling over 51 percent of obligations between the two.

The B&I program is part of the OneRD initiative and in 2023 the agency published “OneRD Build America, Buy America Implementation Guidance” via an Unnumbered Letter in February 2023. The document provided information and instructions on the next steps for RD to implement the Build America, Buy America Act (BABAA) and announced the launch of a new customer feedback survey for lenders. More information about this effort is highlighted in the CF Guaranteed Loan Program description.

Obligations in 2023 include Food Conspiracy Cooperative Inc., which received \$1.85 million that will be used to expand an existing cooperative grocery store from 4,860 square feet to 7,690 square feet. The Pima, Arizona co-op sells locally and regionally grown foods and locally made products to its over 3,000 members. In addition, they are adding outdoor event space plus additional parking. This project is expected to create or save 24 jobs.

A loan of \$40 million will be used to help offset the costs associated with the purchase and equipping of the HP Hood milk processing facility in Philadelphia, Pennsylvania. The facility will help the Maryland and Virginia Milk Producers Cooperative Association (MDVA) increase capacity from 10,000,000 to 25,000,000 gallons annually. The product mix includes white milk, flavored milk, eggnog, creams, lactose free milk, and high protein milk. MDVA is a farmer-owned cooperative that owns five dairy processing plants; it was founded in 1920 and is made up of more than 900 dairy farms in 11 states. This funding is expected to create or save around 166 jobs.

In 2024, the agency published a final rule in the Federal Register (88 FR 82225) on November 24, 2023, to amend the interim rule published on May 22, 2020. This final rule addresses the flexibility to obligate funds pursuant to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in response to the national COVID-19 pandemic; it applies to those applications submitted from May 22, 2020, until September 15, 2021. On December 07, 2023, the agency published a notice in the Federal Register (88 FR 85207) regarding the minimum priority scoring for the B&I program in 2024 due to strong demand for program funds.

The increase in funding for B&I guaranteed loans is important for distressed and Energy communities, supporting local investments that can improve their standard of living and provide new high-paying jobs. With a funding level of \$2.25 billion in 2025, B&I can guarantee 318 loans at an average loan value of \$7 million. This program supports underserved communities by offering a reduced guaranteed fee of 1 percent, and approximately 12 percent of the program level is targeted to these communities. For 2025, the weighted average upfront fee is 2.82 percent, and an annual fee of 0.54 percent, and a guaranteed percentage of 90 percent for distressed communities and 80 percent for non-distressed communities. The upfront fee for the non-distress communities is 3 percent. The budget will continue including the General Provision to request 3 percent upfront fee.

2. No change for Rural Business Development Grants (\$37,000,000 available in 2024).

The purpose of the program is to promote economic development and job creation projects through the awarding of grant funds to eligible entities. Applications will compete in two separate categories, business opportunity grants and business enterprise grants, for use in funding various business and community projects that serve rural areas. Grants may be made to a Public Body/Government Entity, an Indian Tribe, or a Nonprofit entity primarily serving rural areas.

There is no maximum grant amount; however, smaller requests are given higher priority. There is no cost sharing requirement. Opportunity type grants are limited to up to 10 percent of the total Rural Business Development Grant annual funding. The projects for business opportunity type of grants must have a reasonable prospect that the project will result in the economic development of a rural area. Enterprise type grants must be used on projects to benefit small and emerging businesses in rural areas as specified in the grant application.

Enterprise type grant funds can be used for: training and technical assistance, such as project planning, business counseling and training, market research, feasibility studies, professional or/technical reports, or producer service improvements; acquisition or development of land, easements, or rights of way; construction, conversion, renovation of buildings; plants, machinery, equipment; access for streets and roads; parking areas and utilities; pollution control and abatement; and capitalization of revolving loan funds, including funds that will make loans for start-ups and working capital among others.

Opportunity type grant funds can be used for: community economic development; technology-based economic development; feasibility studies and business plans; leadership and entrepreneur training; rural business incubators, and long-term business strategic planning.

In 2023, the agency obligated \$44.7 million across 469 grants. This funding benefitted 17,000 rural businesses and created/saved about 41,000 jobs. Of this total, \$3.7 million was for Native American grants; \$2.9 million were in persistent poverty counties, mostly in Nebraska, Arizona, and Washington. Funding for this program is spread across the Nation with a focus on the Southern region where poverty and unemployment rates are currently the highest. This program has increased annual obligations from \$23 million in 2017 to \$44.7 million in 2023, with a total of nearly \$244.7 million obligated during that period.

The agency published a proposed rule in the Federal Register on May 24, 2023 (88 FR 33552) to amend the regulation to increase Tribal Government participation. The proposed rule seeks to make amendments to the interim final rule (80 FR 15665) which did not adequately define and address how Tribes legally structure their businesses and related enterprises as arms or instrumentalities of Tribes. This update seeks to address the nuisance associated with identifying tribally-owned businesses separate from Tribal Governments to increase participation.

RD hosted a virtual Tribal consultation and listening on July 12, 2023, for elected leaders of federally recognized Tribes or their proxies to receive feedback on the RBDG program. During the session, RD provided information on proposed changes and received feedback from attendees relating to the proposed amendments published on May 24, 2023. In addition to the virtual session, RD encouraged Tribal Leaders to submit written consultation remarks via email no later than August 14, 2023.

As a result of the efforts in 2023, the agency published on December 14, 2023, a final rule and response to comment in the Federal Register (88 FR 86566) on the RBDG regulation on Tribes and Tribal Business References to provide equitable access. The agency addressed the three comments received. To address a concern that was submitted, the agency agrees and intends to provide training to State Office staff to better understand the regulatory changes, Tribal sovereignty, and the unique relationship that the federal government has with federally recognized Tribes. The program office will develop training with input and participation from RBDG program staff, RD's Tribal Relations Team and USDA's Office of Tribal Relations.

The RBDG Notice for 2024 was published in the Federal Register on December 4, 2023, with a deadline of February 28, 2024. Pending the passage of an appropriation, the agency placed in the notice the potential for set-aside funds, such as those for persistent poverty counties, Native American persistent poverty areas, and Strategic Economic and Community Development, which is aligned with the 2023 announcement. There are no minimum or maximum award amounts associated with this announcement. This announcement does include a

BABAA waiver, it is pursuant to USDA's "Tribal Consultation Waiver in the Public Interest for Indian Tribes," approved on July 14, 2023, and effective until July 13, 2024.

On September 28, 2023, the RD Nevada State Director announced that the agency was funding projects to improve the economy and quality of life. The funding included in this announcement was for those participating in the Rural Partners Network (RPN). State Director I said, "Our dedicated RPN staff are here in Nevada, providing a direct line of communication for the people in our rural communities that have long struggled to get access to federal funding. We're really just getting started and we look forward to a long partnership with community networks that are helping to advance local priorities and economies." One of the projected announced was a \$92,087 grant to Southwest Central Regional Economic Development Authority to establish a revolving loan fund. This fund will assist startup businesses in Nye and Esmeralda counties and support job growth.

This program is instrumental in developing job potential in socially disadvantaged communities, which helps these communities thrive and improve their economic standards and reduce/eliminate inequalities. The budget request for the Rural Business Development Grant funding level is \$37 million. The funding requested in 2025 will support approximately 380 grants. It demonstrates a continued commitment to assisting small business in rural areas with high demand for technical assistance to help developing capacity for small businesses in rural areas. Small means that the business has fewer than 50 new workers and less than \$1 million in gross revenue.

3. No change for Delta Regional Authority, Northern Border Regional Commission and Appalachian Regional Commission grants (\$9,000,000 available in 2024).

The three Regional Commissions serve eight states in the lower Mississippi Delta region, 13 Appalachian states, and four Northern Border Regional states. Grant funds are used to advance the economic vitality of these communities through the practical application of innovative ideas and strategies that foster inclusive communities, achieve a sustained, long-term economic development, and produce meaningful opportunities for all traditionally underserved people in these areas. Projects are targeted to the strategic goals of improved workforce competitiveness, strengthened infrastructure, and increased community capacity.

In 2023, RD obligated \$9 million supporting eight grants; New Hampshire received \$3.0 million, Mississippi \$3.0 million, and Kentucky received just over \$3.0 million. The funding was provided to cooperatives and public entities and was distributed to 209 projects for agriculture, forestry and hunting, construction, educational services, public administration, and utilities.

On December 11, 2023, the Northern Border Regional Commission (NBRC) and RD announced funding for economic-development projects in Maine, New Hampshire, New York, and Vermont. RD's State Director for Vermont and New Hampshire said that these "organizations in the Twin States will provide more and better jobs for workers, modern recreational facilities for tourists and residents, technical assistance for employers, and 21st century learning opportunities for students." These are just a few of the projects announced across NBRC's four-state region are:

- The Space on Main in Bradford, Vermont received \$80,688 to expanded STEAM (science, technology, engineering, arts, and mathematics) education programming for all ages by outfitting a basement space as a youth innovation lab and for personnel support.
- In Syracuse, New York, Visiting Nurses Association of Central New York received \$300,000 to expand their existing home care nurse residency program into Oneida County, while also improving recruitment, retention, and preparation of novice nurses.
- The entity Friends of Quarry Road in Waterville, Maine received \$712,500 for improvements to the region's outdoor recreation capacity, including construction of a guest services building, multi-use trail, parking lot with smart charger stations, and onsite facilities and water. Additionally, funding will go towards addressing parking, draining and stormwater management issues.
- An award of \$144,260 will go to Coös Economic Development Council in Lancaster, New Hampshire for the LEAN In (Leadership, Expansion, Advancement & Networking) program. This program advances workforce and business development objectives in Coös County to better connect businesses with workforce advancement needs, support business expansion with Canadian partners, and builds pipelines for youth and adults via workshop programs, high school technical learning programs, and casual learning from professional networking groups.

The 2025 budget is requesting \$9 million to support the agency's partnership with the Delta, Appalachia, and Northern Border Regional Commissions. The funding will support an estimated four grants.

4. An increase of \$2,000,000 for the Rural Innovation for a Stronger Economy (RISE) Grants program (\$2,000,000 available in 2024).

The RISE program is a strong and popular program, and its regional approach will take some pressure off the Rural Business Development Grants program and allow that program to focus on smaller communities. A funding level of \$4 million in 2025 will support an estimated five grants.

Section 6424 of the 2018 Farm Bill authorized grant funding for rural job growth by expanding opportunity for job accelerator partnerships by facilitating the creation of a working group with key community partners and stakeholders that understand the type of industry clusters that are declining, emerging, or existing in rural areas. Funding used for construction or purchase of facilities is limited to buildings that will serve as innovation centers for job accelerator. Equipment purchases must be necessary to support its functions. The RISE program is designed to provide financial assistance to support job accelerator partnerships that improve the ability of distressed rural communities to create high wage jobs, accelerate the formation of new businesses, and help rural communities identify and maximize local assets. These types of grants will allow RD to target funding for developing sustainable communities that will thrive economically, particularly energy communities. Applicants can apply for and compete for only one RISE project per year unless otherwise noted in the agency's notice in the Federal Register.

Since 2021, \$14 million has been obligated through this program, with Wyoming, Arizona and Colorado receiving about \$1 million in funding. In 2023, \$2 million was obligated in three grants to Arizona, North Carolina, and Washington.

The agency published on January 20, 2023, a Notice of Funding Opportunity (NOFO) in the Federal Register (88 FR 3705) for this program for 2023 and updated the agency's priority of recovering from the COVID-19 pandemic and pivoted to assisting communities to recover economically through more and better market opportunities and through improved infrastructure. There was no change in the minimum or maximum grant awards for this program; they hold at a minimum grant award of \$500,000 and a maximum grant award of \$2 million. The matching fund requirement for this program is 20 percent of the eligible costs.

On December 9, 2022, RD's Ohio State Director announced RD would invest \$11.2 million to help create new and better market opportunities and expand essential services in Ohio. One of the projects was a \$715,081 RISE grant to Appalachia Ohio Manufacturers Coalition; these funds will identify and create jobs. Additionally, the entity will train a new workforce to fill those jobs by making connections between rural Appalachian areas and industry clusters that show potential for growth in the Appalachian region.

RISE partnerships must focus on a region. Each RISE project must serve a rural region small enough to allow close collaboration among partners and must include important elements of the region's prioritized industry cluster. An eligible region is one that has a population of less than 50,000 residents, based on targeted communities/towns/cities, and most communities within the region are considered low-income communities.

5. A decrease of \$34,020,000 in budget authority for the Business and Industry (B&I) Guaranteed Loans program (\$38,520,000 available in 2024).

This is the budget authority needed to support the program level requested in the budget.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS**Table RBCS-6. Guaranteed Business and Industry Loans Geographic Breakdown of Obligations (thousands of dollars)**

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|---------------------------|----------------|----------------|-------------------|-------------------|
| Alabama..... | \$18,485 | \$669 | - | - |
| Alaska..... | 4,994 | 18,283 | - | - |
| Arizona..... | 41,732 | 100,869 | - | - |
| Arkansas..... | 33,863 | 28,937 | - | - |
| California..... | 93,587 | 144,016 | - | - |
| Colorado..... | 89,262 | 50,405 | - | - |
| Connecticut..... | - | 1,700 | - | - |
| Delaware..... | 25,000 | - | - | - |
| Florida..... | 72,080 | 74,568 | - | - |
| Georgia..... | 35,874 | 52,553 | - | - |
| Guam..... | 1,835 | - | - | - |
| Hawaii..... | 7,883 | 20,000 | - | - |
| Idaho..... | 31,150 | 29,597 | - | - |
| Illinois..... | 11,418 | 31,590 | - | - |
| Indiana..... | - | 18,361 | - | - |
| Iowa..... | 10,952 | 15,000 | - | - |
| Kansas..... | 6,971 | 3,650 | - | - |
| Kentucky..... | 109,754 | 53,029 | - | - |
| Louisiana..... | 144,621 | 78,359 | - | - |
| Maryland..... | 17,400 | - | - | - |
| Massachusetts..... | - | 13,250 | - | - |
| Michigan..... | 14,684 | 101,597 | - | - |
| Minnesota..... | 3,115 | 15,128 | - | - |
| Mississippi..... | 40,200 | 54,868 | - | - |
| Missouri..... | 42,622 | 48,966 | - | - |
| Montana..... | 19,138 | 7,043 | - | - |
| Nebraska..... | - | 6,800 | - | - |
| Nevada..... | 9,425 | 9,230 | - | - |
| New Hampshire..... | 20,638 | 19,907 | - | - |
| New Mexico..... | 5,369 | 23,510 | - | - |
| New York..... | 116,204 | 66,004 | - | - |
| North Carolina..... | 100,151 | 113,768 | - | - |
| North Dakota..... | 2,500 | - | - | - |
| Ohio..... | 57,889 | 59,230 | - | - |
| Oklahoma..... | 126,645 | 215,913 | - | - |
| Oregon..... | 3,677 | 71,995 | - | - |
| Pennsylvania..... | - | 40,166 | - | - |
| Puerto Rico..... | 21,250 | 48,250 | - | - |
| Rhode Island..... | 24,500 | - | - | - |
| South Carolina..... | 88,860 | 52,648 | - | - |
| South Dakota..... | - | 2,335 | - | - |
| Tennessee..... | 42,596 | 24,491 | - | - |
| Texas..... | 118,142 | 131,548 | - | - |
| Utah..... | 28,959 | 29,800 | - | - |
| Vermont..... | 9,650 | 1,200 | - | - |
| Virgin Islands..... | 4,100 | 16,450 | - | - |
| Virginia..... | 9,344 | 32,625 | - | - |
| Washington..... | 73,728 | 93,873 | - | - |
| West Virginia..... | 8,650 | 12,524 | - | - |
| Wisconsin..... | 6,350 | 8,436 | - | - |
| Wyoming..... | 22,111 | - | - | - |
| Distribution Unknown..... | - | - | \$1,753,868 | \$3,227,605 |
| Obligations..... | 1,777,358 | 2,043,140 | 1,753,868 | 3,227,605 |
| Bal. Available, EOY..... | 45,664 | 76,802 | 237,166 | 4,266,770 |
| Total, Available..... | 1,823,022 | 2,119,943 | 1,991,033 | 7,494,375 |

Table RBCS-7. Rural Business Development Grants Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|-------------|-------------|----------------|----------------|
| Alabama | \$1,379 | \$740 | - | - |
| Alaska | 409 | 92 | - | - |
| Arizona..... | 478 | 912 | - | - |
| Arkansas..... | 706 | 772 | - | - |
| California | 1,250 | 1,590 | - | - |
| Colorado..... | 196 | 256 | - | - |
| Connecticut | 195 | 214 | - | - |
| Delaware | 130 | 147 | - | - |
| Florida | 150 | 80 | - | - |
| Georgia..... | 849 | 1,459 | - | - |
| Guam..... | - | 64 | - | - |
| Hawaii | 124 | 260 | - | - |
| Idaho | 312 | 289 | - | - |
| Illinois | 1,115 | 1,095 | - | - |
| Indiana..... | 851 | 1,012 | - | - |
| Iowa..... | 530 | 483 | - | - |
| Kansas | 325 | 453 | - | - |
| Kentucky | 800 | 977 | - | - |
| Louisiana..... | 754 | 928 | - | - |
| Maine | 528 | 856 | - | - |
| Maryland..... | 73 | 358 | - | - |
| Massachusetts | 323 | 317 | - | - |
| Michigan | 1,098 | 1,222 | - | - |
| Minnesota..... | 549 | 726 | - | - |
| Mississippi | 402 | 1,293 | - | - |
| Missouri | 1,195 | 1,467 | - | - |
| Montana | 264 | 50 | - | - |
| Nebraska | 224 | 571 | - | - |
| Nevada | 133 | 378 | - | - |
| New Hampshire | 184 | 151 | - | - |
| New Jersey..... | 220 | 232 | - | - |
| New Mexico..... | 851 | 721 | - | - |
| New York..... | 1,620 | 1,586 | - | - |
| North Carolina | 1,328 | 1,402 | - | - |
| North Dakota..... | 710 | 696 | - | - |
| Ohio..... | 1,544 | 1,659 | - | - |
| Oklahoma..... | 775 | 986 | - | - |
| Oregon..... | 404 | 589 | - | - |
| Pennsylvania | 1,277 | 1,199 | - | - |
| Puerto Rico..... | 842 | 1,023 | - | - |
| Rhode Island | 97 | 102 | - | - |
| South Carolina | 968 | 1,324 | - | - |
| South Dakota..... | 227 | 254 | - | - |
| Tennessee..... | 1,325 | 1,424 | - | - |
| Texas | 1,281 | 1,552 | - | - |
| Utah..... | 50 | 124 | - | - |
| Vermont | 1,184 | 1,232 | - | - |
| Virginia | 853 | 726 | - | - |
| Washington | 770 | 1,305 | - | - |
| West Virginia..... | 670 | 807 | - | - |
| Wisconsin..... | 638 | 710 | - | - |
| Wyoming..... | 123 | - | - | - |
| Distribution Unknown | - | - | \$34,524 | \$35,803 |
| Obligations..... | 33,281 | 38,864 | 34,524 | 35,803 |
| Bal. Available, EOY | 5,924 | 2,729 | 4,034 | 3,927 |
| Total, Available..... | 39,205 | 41,593 | 38,558 | 39,730 |

Totals may not add due to rounding.

Table RBCS-8. Rural Business Development Grants Native American Tribes Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|-------------|-------------|----------------|----------------|
| Arizona..... | \$1,245 | \$1,037 | - | - |
| California | 96 | 99 | - | - |
| Idaho | - | 166 | - | - |
| Maine | - | 95 | - | - |
| Nebraska | 2,578 | 1,527 | - | - |
| Nevada | 49 | 70 | - | - |
| New Mexico..... | 200 | 74 | - | - |
| North Dakota..... | - | 126 | - | - |
| Oklahoma..... | - | 1,244 | - | - |
| Oregon..... | - | 81 | - | - |
| Rhode Island | - | 153 | - | - |
| South Dakota..... | - | 90 | - | - |
| Washington | - | 200 | - | - |
| Wisconsin..... | - | 99 | - | - |
| Distribution Unknown | - | - | \$4,193 | \$4,556 |
| Obligations..... | 4,168 | 5,060 | 4,193 | 4,556 |
| Bal. Available, EOY | 1,485 | 528 | 899 | 864 |
| Total, Available..... | 5,652 | 5,589 | 5,092 | 5,421 |

Totals may not add due to rounding.

Table RBCS-9. Rural Business Development Grants Technical Assistance Transportation Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|-------------|-------------|----------------|----------------|
| Maryland..... | \$500 | \$500 | - | - |
| Distribution Unknown | - | - | \$500 | \$500 |
| Obligations..... | 500 | 500 | 500 | 500 |
| Bal. Available, EOY | - | 29 | 37 | 45 |
| Total, Available..... | 500 | 529 | 537 | 545 |

Table RBCS-10. Rural Business Development Grants Native American Transportation Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|-------------|-------------|----------------|----------------|
| Maryland..... | \$250 | \$250 | - | - |
| Distribution Unknown | - | - | \$500 | \$250 |
| Obligations..... | 250 | 250 | 500 | 250 |
| Bal. Available, EOY | 250 | 253 | 4 | 5 |
| Total, Available..... | 500 | 503 | 504 | 255 |

Table RBCS-11. Delta Regional Authority Grants Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|-------------|-------------|----------------|----------------|
| Mississippi | \$3,028 | \$3,000 | - | - |
| Distribution Unknown | - | - | \$3,000 | \$3,000 |
| Obligations..... | 3,028 | 3,000 | 3,000 | 3,000 |
| Total, Available..... | 3,028 | 3,000 | 3,000 | 3,000 |

Table RBCS-12. Appalachian Regional Commission Grants Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|-------------|-------------|----------------|----------------|
| Kentucky..... | \$3,000 | \$3,040 | - | - |
| Distribution Unknown | - | - | \$3,655 | \$3,014 |
| Obligations..... | 3,000 | 3,040 | 3,655 | 3,014 |
| Bal. Available, EOY | - | 655 | 14 | 13 |
| Total, Available..... | 3,000 | 3,695 | 3,669 | 3,027 |

Table RBCS-13. Northern Border Regional Commission Grants Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|-------------|-------------|----------------|----------------|
| New Hampshire | \$3,000 | \$3,000 | - | - |
| Distribution Unknown | - | - | \$3,000 | \$3,000 |
| Obligations | 3,000 | 3,000 | 3,000 | 3,000 |
| Total, Available..... | 3,000 | 3,000 | 3,000 | 3,000 |

Table RBCS-14. Regional Innovation Stronger Economy (RISE) Grants Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|-------------|-------------|----------------|----------------|
| Arizona..... | - | \$747 | - | - |
| Michigan | \$555 | - | - | - |
| Missouri | 730 | - | - | - |
| North Carolina | - | 749 | - | - |
| Ohio..... | 715 | - | - | - |
| Washington | - | 503 | - | - |
| Distribution Unknown | - | - | \$2,000 | \$4,000 |
| Obligations..... | 2,000 | 2,000 | 2,000 | 4,000 |
| Total, Available..... | 2,000 | 2,000 | 2,000 | 4,000 |

Totals may not add due to rounding.

CLASSIFICATION BY OBJECTS

Table RBCS-15 Classification by Objects (thousands of dollars)

| Item No. | Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------|--|-------------|-------------|----------------|----------------|
| | Other Objects: | | | | |
| 41.0 | Grants, subsidies, and contributions | \$84,952 | \$99,437 | \$91,536 | \$60,579 |
| | Total, Other Objects | 84,952 | 99,437 | 91,536 | 60,579 |
| 99.9 | Total, new obligations..... | 84,952 | 99,437 | 91,536 | 60,579 |

ACCOUNT 2: INTERMEDIARY RELENDING PROGRAM

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

- 1 Intermediary Relending Program Fund Account (including transfer of funds)
 2
 3 For the principal amount of direct loans, as authorized by the Intermediary Relending Program Fund Account (7
 4 U.S.C. 1936b), \$18,890,000.
 5
 6 For the cost of direct loans, [~~\$5,733,000~~]\$6,434,000, as authorized by the Intermediary Relending Program Fund
 7 Account (7 U.S.C. 1936b), of which [~~\$573,000~~]\$643,000 shall be available through June 30, [~~2024~~]2025, for
 8 Federally Recognized Native American Tribes; and of which [~~\$1,147,000~~]\$1,286,000 shall be available through
 9 June 30, [~~2024~~]2025, for Mississippi Delta Region counties (as determined in accordance with Public Law 100–
 10 460): *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the
 11 Congressional Budget Act of 1974.
 12
 13 In addition, for administrative expenses to carry out the direct loan programs, \$4,468,000 shall be paid to the
 14 appropriation for "Rural Development, Salaries and Expenses".

LEAD-OFF TABULAR STATEMENT

Table RBCS-16. Lead-Off Tabular Statement (In dollars)

| Item | Loan Level | Subsidy | Administrative Expenses |
|-------------------------|-------------------|------------------|--------------------------------|
| Estimate, 2024 | \$10,916,000 | \$3,313,000 | \$4,468,000 |
| Change in Appropriation | + 7,974,000 | + 3,121,000 | - |
| Budget Estimate, 2025 | <u>18,890,000</u> | <u>6,434,000</u> | <u>4,468,000</u> |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

PROJECT STATEMENTS

Table RBCS-17. Project Statement on Basis of Appropriations (thousands of dollars)

| Item | 2022 | 2022 | 2023 | 2023 | 2024 | 2024 | 2025 | 2025 | Program Level | Budget | | |
|---|---------------|-----------|---------------|-----------|---------------|--------------|---------------|--------------|---------------|---------|------------------------|---------|
| | Program Level | Actual BA | Program Level | Actual BA | Program Level | Estimated BA | Program Level | Estimated BA | Inc. or Dec. | Chg Key | Authority Inc. or Dec. | Chg Key |
| Discretionary Appropriations: | | | | | | | | | | | | |
| Intermediary Relending Program ... | \$13,389 | \$1,080 | \$18,888 | \$3,313 | \$10,916 | \$3,313 | \$18,890 | \$6,434 | +\$7,974 | (1) | +\$3,121 | (2) |
| Administrative Expenses..... | - | 4,468 | - | 4,468 | - | 4,468 | - | 4,468 | - | | - | |
| Subtotal..... | 13,389 | 5,548 | 18,888 | 7,781 | 10,916 | 7,781 | 18,890 | 10,902 | +7,974 | | +3,121 | |
| Total Adjusted Approp..... | 13,389 | 5,548 | 18,888 | 7,781 | 10,916 | 7,781 | 18,890 | 10,902 | +7,974 | | +3,121 | |
| Add back: | | | | | | | | | | | | |
| Transfers In and Out, Rescissions | 5,500 | 444 | - | - | - | - | - | - | - | | - | |
| Total Appropriation..... | 18,889 | 5,992 | 18,888 | 7,781 | 10,916 | 7,781 | 18,890 | 10,902 | +7,974 | | +3,121 | |
| Transfers Out: | | | | | | | | | | | | |
| Working Capital Funds | -5,500 | -444 | - | - | - | - | - | - | - | | - | |
| Total Transfers Out | -5,500 | -444 | - | - | - | - | - | - | - | | - | |
| Total Available..... | 13,389 | 5,548 | 18,888 | 7,781 | 10,916 | 7,781 | 18,890 | 10,902 | +7,974 | - | +3,121 | - |
| Lapsing Balances..... | -229 | -18 | -1,000 | -175 | - | - | - | - | - | | - | |
| Total Obligations..... | 13,160 | 5,530 | 17,888 | 7,606 | 10,916 | 7,781 | 18,890 | 10,902 | +7,974 | | +3,121 | |

Table RBCS-18. Project Statement on Basis of Obligations (thousands of dollars)

| Item | 2022 | 2022 | 2023 | 2023 | 2024 | 2024 | 2025 | 2025 | Program Level | Budget | | |
|--------------------------------------|---------------|-----------|---------------|-----------|---------------|--------------|---------------|--------------|---------------|------------------------|----------|--|
| | Program Level | Actual BA | Program Level | Actual BA | Program Level | Estimated BA | Program Level | Estimated BA | Inc. or Dec. | Authority Inc. or Dec. | | |
| Discretionary Obligations: | | | | | | | | | | | | |
| Intermediary Relending Program | \$13,160 | \$1,062 | \$17,888 | \$3,138 | \$10,916 | \$3,313 | \$18,890 | \$6,434 | +\$7,974 | | +\$3,121 | |
| Administrative Expenses..... | - | 4,468 | - | 4,468 | - | 4,468 | - | 4,468 | - | | - | |
| Subtotal Disc Obligations..... | 13,160 | 5,530 | 17,888 | 7,606 | 10,916 | 7,781 | 18,890 | 10,902 | +7,974 | | +3,121 | |
| Total Obligations..... | 13,160 | 5,530 | 17,888 | 7,606 | 10,916 | 7,781 | 18,890 | 10,902 | +7,974 | | +3,121 | |
| Add back: | | | | | | | | | | | | |
| Lapsing Balances..... | 229 | 18 | 1,000 | 175 | - | - | - | - | - | | - | |
| Total Available..... | 13,389 | 5,548 | 18,888 | 7,781 | 10,916 | 7,781 | 18,890 | 10,902 | +7,974 | | +3,121 | |
| Less: | | | | | | | | | | | | |
| Total Transfers Out | 5,500 | 444 | - | - | - | - | - | - | - | | - | |
| Total Appropriation..... | 18,889 | 5,992 | 18,888 | 7,781 | 10,916 | 7,781 | 18,890 | 10,902 | +7,974 | | +3,121 | |

JUSTIFICATION OF CHANGES**Intermediary Relending Program**

The numbers and letters of the following listing relates to values in the Change (Chg) Key column of the Project Statement:

1. An increase of \$7,974,000 in program level for the Intermediary Relending Loan program (\$10,916,000 available in 2024).

Funding for the Intermediary Relending Program (IRP) provides low-interest loans to local organizations (intermediaries) for the establishment of revolving loan funds. The purpose of the IRP program is to alleviate poverty and increase economic activity and employment in rural communities, especially disadvantaged and remote communities, in partnership with other public and private resources. These revolving loan funds are used to make loans to businesses and community and economic development organizations that are unable to obtain commercial credit to assist them with financing business and economic development activities to create or retain jobs. Intermediaries are encouraged to work in concert with State and regional strategies and in partnership with other public and private organizations that can provide complementary resources. This program is very well used across the country and has proven its effectiveness by creating jobs and revitalizing communities.

The IRP financing for 2023 totaled approximately \$17.9 million and will result in over 243 businesses being assisted, thereby creating, or saving nearly 13,392 jobs over the life of these IRP loans. Five of these loans, totaling \$4.4 million, target initiative area loans that create or save over 3,350 jobs. The Midwest region received \$7.5 million, the Northeast region received \$3.5 million, the Southern region received \$3.64 million, and the Western region received \$3.3 million.

Since 2017, IRP loan obligations total over \$117 million with funding focused in the Western and Midwestern regions of the Nation. West Virginia, Mississippi, and Louisiana, the three States with the highest poverty rates in the range of 15.08 to 18.7 percent, have obligated more than \$3 million over the last five fiscal years.

The agency published a notice in the Federal Register (88 FR 63050) on September 14, 2023, to solicit applications for the IRP for 2024 to allow applicants enough time to leverage financing, prepare and submit their applications, and give the Agency time to process program applications within 2024. This notice highlights that funds are subject to availability and are pending the passage of an appropriation. Historically, this program has set-aside funding for to projects and intermediaries serving Federally Recognized Native American Tribes and for Mississippi Delta Region Counties.

Obligations in 2023 include a \$1 million RD investment that will be used to establish a subsequent revolving loan fund to assist with financing small businesses for South Dakota community development projects in a 41-county service area. Rural Electric Economic Development Inc. (REED) is a community development lender that was founded in 1997. It is anticipated that these funds will create or save 400 jobs, along with assisting around 10 businesses.

Another \$1 million RD Investment will create a Revolving Loan Fund through the Southwest Intermediary Finance Team to assist small businesses located in Southwest Oklahoma. These funds will allow borrowers to obtain financing to start a new business or expand their existing business as well as purchase inventory or equipment. This funding is anticipated to assist six small businesses located in multiple areas of their service jurisdiction. This project expects to create or save at least 55 jobs.

The requested funding level of \$18.9 million in 2025 will provide 21 IRP loans. This funding will continue to provide rural areas with low interest rates for improving the economic standard.

2. An increase of \$3,121,000 in Intermediary Relending Loan program budget authority (\$3,313,000 available in 2024).

This is the level of budget authority necessary to support the loan level requested.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table RBCS-19. Intemediary Relending Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|---------------------------|----------------|----------------|-------------------|-------------------|
| Alabama..... | \$500 | - | - | - |
| California..... | 1,000 | \$1,500 | - | - |
| Colorado..... | 1,500 | - | - | - |
| Idaho..... | 1,000 | - | - | - |
| Iowa..... | 500 | 1,000 | - | - |
| Kansas..... | 1,000 | - | - | - |
| Louisiana..... | - | 638 | - | - |
| Michigan..... | - | 1,000 | - | - |
| Minnesota..... | - | 750 | - | - |
| Mississippi..... | 1,000 | - | - | - |
| Missouri..... | 1,000 | - | - | - |
| Montana..... | - | 1,250 | - | - |
| Nebraska..... | - | 750 | - | - |
| Nevada..... | 1,000 | - | - | - |
| New York..... | 750 | 750 | - | - |
| North Carolina..... | - | 1,000 | - | - |
| North Dakota..... | - | 1,000 | - | - |
| Oklahoma..... | 1,000 | - | - | - |
| South Dakota..... | 1,910 | 4,000 | - | - |
| Texas..... | - | 1,000 | - | - |
| Vermont..... | - | 2,000 | - | - |
| Virginia..... | 1,000 | - | - | - |
| Washington..... | - | 500 | - | - |
| West Virginia..... | - | 750 | - | - |
| Distribution Unknown..... | - | - | \$10,916 | \$18,890 |
| Obligations..... | 13,160 | 17,888 | 10,916 | 18,890 |
| Lapsing Balances..... | 229 | 1,000 | - | - |
| Total, Available..... | 13,389 | 18,888 | 10,916 | 18,890 |

Table RBCS-20. Salaries and Expenses Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------------|----------------|----------------|-------------------|-------------------|
| Expenditure Transfer to S&E..... | \$4,468 | \$4,468 | \$4,468 | \$4,468 |
| Obligations..... | 4,468 | 4,468 | 4,468 | 4,468 |
| Total, Available..... | 4,468 | 4,468 | 4,468 | 4,468 |

CLASSIFICATION BY OBJECTS

Table RBCS-21 Classification by Objects (thousands of dollars)

| Item No. | Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------|--|----------------|----------------|-------------------|-------------------|
| Other Objects: | | | | | |
| 25.3 | Other goods and services from Federal sources..... | \$4,468 | \$4,468 | \$4,468 | \$4,468 |
| 41.0 | Grants, subsidies, and contributions..... | 1,062 | 3,138 | 3,313 | 6,434 |
| | Total, Other Objects..... | 5,530 | 7,606 | 7,781 | 10,902 |
| 99.9 | Total, new obligations..... | 5,530 | 7,606 | 7,781 | 10,902 |

ACCOUNT 3: RURAL ECONOMIC DEVELOPMENT LOANS

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

- 1 Rural Economic Development Loans Program Account
- 2
- 3 For the principal amount of direct loans, as authorized under section 313B(a) of the Rural Electrification Act, for the
- 4 purpose of promoting rural economic development and job creation projects, \$75,000,000.
- 5
- 6 The cost of grants authorized under Section 313B(a) of the Rural Electrification Act, for the purpose of promoting
- 7 rural economic development and job creation projects shall not exceed [~~\$10,000,000~~]\$15,000,000.

1

LEAD-OFF TABULAR STATEMENT

Table RBCS-22. Lead-Off Tabular Statement (In dollars)

| Item | Loan Level |
|-------------------------|-------------------|
| Estimate, 2024 | \$41,447,000 |
| Change in Appropriation | + 33,552,000 |
| Budget Estimate, 2025 | <u>75,000,000</u> |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

PROJECT STATEMENTS

Table RBCS-23. Project Statement on Basis of Appropriations (thousands of dollars)

| Item | 2022 | | 2023 | | 2024 | | 2025 | | Program Level Inc. or Dec. | Chg Key | Budget Authority Inc. | |
|---------------------------------|---------------|-----------|---------------|-----------|---------------|--------------|---------------|--------------|-------------------------------|---------|--------------------------|---------|
| | Program Level | Actual BA | Program Level | Actual BA | Program Level | Estimated BA | Program Level | Estimated BA | | | Inc. or Dec. | Chg Key |
| Total Appropriation | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers In: | | | | | | | | | | | | |
| Offsetting Collections from RED | | | | | | | | | | | | |
| Grants | \$47,150 | \$2,207 | \$70,725 | \$6,981 | \$39,085 | \$6,981 | \$70,725 | \$14,011 | +\$31,640 | | +\$7,030 | |
| Total Transfers In..... | 47,150 | 2,207 | 70,725 | 6,981 | 39,085 | 6,981 | 70,725 | 14,011 | +31,640 | | +7,030 | |
| Recoveries, Other..... | 33,303 | 1,559 | 6,217 | 614 | 4,155 | 742 | 4,120 | 816 | -36 | | +74 | |
| Bal. Available, SOY | 88,367 | 4,136 | 57,722 | 5,697 | 10,597 | 1,893 | 11,168 | 2,212 | +571 | | +320 | |
| Total Available..... | 168,820 | 7,901 | 134,664 | 13,291 | 53,837 | 9,615 | 86,013 | 17,039 | +32,175 | - | +7,424 | - |
| Bal. Available, EOY | -121,735 | -5,697 | -19,176 | -1,893 | -12,390 | -2,212 | -11,013 | -2,182 | +1,374 | | +31 | |
| Total Obligations | 47,086 | 2,204 | 115,488 | 11,399 | 41,447 | 7,403 | 75,000 | 14,858 | +33,550 | (1) | +7,455 | (2) |

Table RBCS-24. Project Statement on Basis of Obligations (thousands of dollars)

| Item | 2022 | | 2023 | | 2024 | | 2025 | | Program Level Inc. or Dec. | Chg Key | Budget Authority Inc. | |
|------------------------------------|---------------|-----------|---------------|-----------|---------------|--------------|---------------|--------------|-------------------------------|---------|--------------------------|---------|
| | Program Level | Actual BA | Program Level | Actual BA | Program Level | Estimated BA | Program Level | Estimated BA | | | Inc. or Dec. | Chg Key |
| Mandatory Obligations: | | | | | | | | | | | | |
| Rural Economic Development Loans . | \$47,086 | \$2,204 | \$115,488 | \$11,399 | \$41,447 | \$7,403 | \$75,000 | \$14,858 | +\$33,550 | | +\$7,455 | |
| Total Obligations | 47,086 | 2,204 | 115,488 | 11,399 | 41,447 | 7,403 | 75,000 | 14,858 | +33,550 | | +7,455 | |
| Balances Available, EOY: | | | | | | | | | | | | |
| Rural Economic Development Loans . | 121,735 | 5,697 | 19,176 | 1,893 | 12,390 | 2,212 | 11,013 | 2,182 | -1,374 | | -31 | |
| Total Bal. Available, EOY | 121,735 | 5,697 | 19,176 | 1,893 | 12,390 | 2,212 | 11,013 | 2,182 | -1,374 | | -31 | |
| Total Available..... | 168,820 | 7,901 | 134,664 | 13,291 | 53,837 | 9,615 | 86,013 | 17,039 | +32,175 | | +7,424 | |
| Less: | | | | | | | | | | | | |
| Recoveries, Other | -33,303 | -1,559 | -6,217 | -614 | -4,155 | -742 | -4,120 | -816 | +36 | | -74 | |
| Total Transfers In..... | -47,150 | -2,207 | -70,725 | -6,981 | -39,085 | -6,981 | -70,725 | -14,011 | -31,640 | | -7,030 | |
| Bal. Available, SOY | -88,367 | -4,136 | -57,722 | -5,697 | -10,597 | -1,893 | -11,168 | -2,212 | -571 | | -320 | |
| Total Appropriation | - | - | - | - | - | - | - | - | - | | - | |

JUSTIFICATION OF CHANGES**Rural Economic Development Loans**

The numbers and letters of the following listing relates to values in the Change (Chg) Key column of the Project Statement:

1. An increase of \$33,553,000 for Rural Economic Development (RED) Direct Loans (\$41,447,000 available in 2024).

The Rural Economic Development Loan and Grant programs provide funding for rural projects through local utility organizations. USDA provides zero-interest loans to local utilities which they, in turn, pass through to local businesses (ultimate recipients) for projects that will create and retain employment in rural areas. The ultimate recipients repay the lending utility directly. The utility is responsible for repayment to USDA. The maximum amount for a loan is \$2 million.

- Up to 80 percent of project costs; 20 percent must be provided by the ultimate recipient or the local utility.
- The local utility may incorporate interest rates or administrative loan fees after the funds have been loaned out and revolved once. First-time loans are at zero percent interest.
- Repayment may be deferred up to two years for projects including a start-up venture or Community Facilities project.

In 2023, the agency obligated \$115.5 million in the RED Direct Loan program. The funding was concentrated in the Midwest and South with the Midwest receiving just over 83 percent of the funding. Over the past five years, the Midwest has received the most funding of the regions. Iowa is the top recipient of funding in 2023 and over the past five years; in 2023 almost \$47 million were obligated in the state.

The agency published a notice in the Federal Register (88 FR 63057) in September 2023 with a supplement in November 2023 (88 FR 75539) to invite applications for the RED loan and grant program in advance of an appropriation, and subject to the availability of funds. By publishing this document in 2023, it benefits applicants by giving them sufficient time to leverage financing as well as prepare and submit their applications while it also gives the Agency time to process applications within 2024. If funding set-aside language mirrors that of 2023, there will be a set-aside for persistent poverty counties.

The RD North Dakota State Director announced on November 9, 2023, that the agency was investing more than \$4 million dollars in the state to spur economic development and increase rural prosperity. Two of the three projects announced were RED Loans being awarded to cooperatives. October was National Cooperative Month and State Director Oban said this, “Cooperatives have a long and impactful history in North Dakota, delivering essential programs and services and providing good jobs to rural people and places... making investments in and through cooperatives are helping to enhance economic opportunity and improve the quality of life for North Dakotans.”

- Nodak Electric Cooperative will use a \$2 million RED loan to assist the Devils Lake Park Board with renovation of an existing commercial property in Devils Lake. This project’s proposed outcome will consist of a family entertainment center to benefit the community and increase the Devils Lake Park Board staff by 11 employees.
- A \$2 million RED loan will be used by Capital Electric Cooperative to assist Two Track Malting, LLC for expansion of a manufacturing facility near Menoken. This funding will result in a new 13,000 SF facility that will support the recent growth witnessed in its malting manufacturing facility and initially add 2-4 employees.

In addition to the activities and functions specifically described in the budget request, current year and budget year funds will be used to carry out activities and functions consistent with the full range of authorities and activities delegated to the agency. This program is funded from fees collected from the electric underwriting program. No discretionary funding is required. The continuation of this program is critical because: it supports a variety of purposes and activities servicing local and regional-based projects in rural areas; assists rural businesses and community development projects by providing access to additional capital resources;

and it provides opportunities for job creation and growth in rural areas building clean energy production. The requested funding in 2025 will support approximately 50 loans and create/save 2,500 jobs.

2. An increase of \$7,455,000 in budget authority (\$7,403,000 available in 2024).

This is the budget authority necessary to support the program level requested in the budget.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table RBCS-25. Rural Economic Development Loans Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|---------------------------|----------------|----------------|-------------------|-------------------|
| Alabama..... | - | \$4,000 | - | - |
| Colorado..... | \$2,580 | - | - | - |
| Georgia..... | 1,500 | - | - | - |
| Illinois..... | 194 | 4,863 | - | - |
| Iowa..... | 24,000 | 46,946 | - | - |
| Kansas..... | - | 8,152 | - | - |
| Michigan..... | - | 1,805 | - | - |
| Minnesota..... | 5,000 | 6,371 | - | - |
| Mississippi..... | 1,000 | 2,000 | - | - |
| Missouri..... | 7,000 | 18,895 | - | - |
| North Carolina..... | 2,387 | 8,956 | - | - |
| North Dakota..... | 1,505 | 9,000 | - | - |
| Oregon..... | 220 | - | - | - |
| South Dakota..... | 1,200 | - | - | - |
| Tennessee..... | 500 | 4,000 | - | - |
| Texas..... | - | 500 | - | - |
| Distribution Unknown..... | - | - | \$41,447 | \$75,000 |
| Obligations..... | 47,086 | 115,488 | 41,447 | 75,000 |
| Bal. Available, EOY..... | 121,735 | 19,176 | 12,390 | 11,013 |
| Total, Available..... | 168,820 | 134,664 | 53,837 | 86,013 |

CLASSIFICATION BY OBJECTS

Table RBCS-26 Classification by Objects (thousands of dollars)

| Item No. | Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------|---|----------------|----------------|-------------------|-------------------|
| Other Objects: | | | | | |
| 41.0 | Grants, subsidies, and contributions..... | \$2,204 | \$11,399 | \$7,403 | \$14,858 |
| | Total, Other Objects..... | 2,204 | 11,399 | 7,403 | 14,858 |
| 99.9 | Total, new obligations..... | 2,204 | 11,399 | 7,403 | 14,858 |

ACCOUNT 4: RURAL ECONOMIC DEVELOPMENT GRANTS

LEAD-OFF TABULAR STATEMENT

Table RBCS-27. Lead-Off Tabular Statement (In dollars)

| Item | Amount |
|-------------------------|-------------------|
| Estimate, 2024 | \$15,000,000 |
| Change in Appropriation | - |
| Budget Estimate, 2025 | <u>15,000,000</u> |

PROJECT STATEMENTS

Table RBCS-28. Project Statement on Basis of Appropriations (thousands of dollars)

| Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated | Inc. or Dec. | Chg Key |
|---|----------------|----------------|-------------------|-------------------|--------------|---------|
| Mandatory Appropriations: | | | | | | |
| Rural Economic Development Grants | \$4,715 | \$4,715 | \$4,715 | - | -\$4,715 | (1) |
| Subtotal | 4,715 | 4,715 | 4,715 | - | -4,715 | |
| Total Adjusted Approp..... | 4,715 | 4,715 | 4,715 | - | -4,715 | |
| Add back: | | | | | | |
| Transfers In and Out, Rescissions..... | -5,000 | -5,000 | -5,000 | - | +5,000 | |
| Sequestration (Farm Bill)..... | 285 | 285 | 285 | - | -285 | |
| Total Appropriation..... | - | - | - | - | - | |
| Transfers In: | | | | | | |
| Commodity Credit Corporation | 5,000 | 5,000 | 5,000 | - | -5,000 | |
| Rural Elec. and Tele underwriter loan fees | 20,442 | 23,143 | 24,000 | \$24,000 | - | |
| Total Transfers In..... | 25,442 | 28,143 | 29,000 | 24,000 | -5,000 | |
| Sequestration (Farm Bill)..... | -285 | -285 | -285 | - | +285 | |
| Sequestration (Offsetting Collections)..... | -418 | -992 | -992 | -1,702 | -710 | |
| Recoveries, Other..... | 2,369 | 40,136 | 400 | 390 | -10 | |
| Offsetting collections paid to Rural | | | | | | |
| Economic Development acct..... | -2,207 | -6,981 | -6,981 | -14,011 | -7,030 | |
| Bal. Available, SOY..... | 241,794 | 45,534 | 92,725 | 37,560 | -55,165 | |
| Total Available..... | 266,695 | 105,556 | 113,867 | 46,238 | -67,630 | |
| Bal. Available, EOY | -45,534 | -92,725 | -37,560 | -31,238 | +6,323 | |
| Total Obligations..... | 221,161 | 12,831 | 76,307 | 15,000 | -61,307 | |

Table RBCS-29. Project Statement on Basis of Obligations (thousands of dollars)

| Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated | Inc. or Dec. |
|--|----------------|----------------|-------------------|-------------------|--------------|
| Mandatory Obligations: | | | | | |
| Rural Economic Development Grants | \$4,715 | \$9,074 | \$10,000 | \$11,450 | +\$1,450 |
| ReConnect Pilot Broadband 100 percentage Grants | 201,531 | - | 44,154 | - | -44,154 |
| ReConnect Pilot Technical Assistance | - | 2,877 | 17,153 | - | -17,153 |
| Reconnect Pilot Administrative..... | 10,200 | - | - | - | - |
| Rural Economic Development Grants- Farm Bill | 4,715 | 880 | 5,000 | 3,550 | -1,450 |
| Subtotal Mand Obligations | 221,161 | 12,831 | 76,307 | 15,000 | -61,307 |
| Total Obligations..... | 221,161 | 12,831 | 76,307 | 15,000 | -61,307 |
| Balances Available, EOY: | | | | | |
| Rural Economic Development Grants | 21,117 | 27,583 | 34,010 | 31,238 | -2,773 |
| ReConnect Pilot Broadband 100 percentage Grants | 4,018 | 44,154 | - | - | - |
| ReConnect Pilot Technical Assistance | 20,400 | 17,153 | - | - | - |
| Rural Economic Development Grants- Farm Bill | - | 3,835 | 3,550 | - | -3,550 |
| Total Bal. Available, EOY | 45,534 | 92,725 | 37,560 | 31,238 | -6,323 |
| Total Available..... | 266,695 | 105,556 | 113,867 | 46,238 | -67,630 |
| Less: | | | | | |
| Total Transfers In..... | -25,442 | -28,143 | -29,000 | -24,000 | +5,000 |
| Sequestration (Farm Bill)..... | 285 | 285 | 285 | - | -285 |
| Sequestration (Offsetting Collections)..... | 418 | 992 | 992 | 1,702 | +710 |
| Recoveries, Other..... | -2,369 | -40,136 | -400 | -390 | +10 |
| Offsetting collections paid to Rural Economic Development acct..... | 2,207 | 6,981 | 6,981 | 14,011 | +7,030 |
| Bal. Available, SOY..... | -241,794 | -45,534 | -92,725 | -37,560 | 55,165 |
| Total Appropriation..... | - | - | - | - | - |

JUSTIFICATION OF CHANGES

The numbers and letters of the following listing relates to values in the Change (Chg) Key column of the Project Statement:

1. No change for the Rural Economic Development Grants program (\$15,000,000 available in 2024).

Funding for the rural economic development grant program continues to support the creation of good paying jobs in rural areas. The program provides small grants to promote sustainable rural economic development and job creation projects and to capitalize revolving loan funds for economic development and job creation purposes. The maximum amount for a grant is \$300,000 to establish the Revolving Loan Fund and up to 10 percent of grant funds may be applied to operating expenses over the life of the Revolving Loan Fund. In 2023 this program obligated \$10 million and supported 35 grants in nine states. Approximately 60 percent of the funds went to the Midwest region; Iowa received \$2.8 million, and Missouri received \$1.7 million in funding; both states saw an increase in funding from 2022.

As mentioned in the Rural Economic Development Loans description, the agency published a joint notice for the loan and grant program in the Federal Register (88 FR 63057) in September 2023 with a supplement in November 2023 (88 FR 75539). The notice invited applications, subject to the availability of funds, to give both applicants and the agency to work applications for 2024. This program has quarterly funding competitions. For these grants, the intermediary must establish a revolving loan fund and contribute an amount equal to at least 20 percent of the grant.

On November 9, 2023, USDA Secretary Vilsack announced more than \$1.2 billion in loans and grants geared to spur economic development, catalyze rural prosperity, and advance equity through rural cooperatives. Secretary Vilsack said of rural cooperatives, “For more than a century, the cooperative business model has been integral to rural advancement and the American economy, and today accounts for more than two million jobs across the country. The investments we are announcing today will ensure that cooperatives continue the important work of serving the unique needs of their communities, filling market gaps and building local wealth and opportunities for connection across rural America.” Several RED grants projects accompanied this announcement, two of which were in Missouri. Carthage Water & Electric Plant will use a \$300,000 grant to establish a Revolving Loan Fund. The initial recipient of the loan funds will be Carthage Economic Development Corporation to purchase 248 acres for the development of an industrial park. This project is expected to create 500 new jobs in rural Jasper County, Missouri. A \$300,000 grant will be used to assist SEMO Electric Cooperative help Bell City R-II School District renovate an existing structure on campus into a vocational agriculture classroom and learning space.

Since 2017, over \$65 million has been obligated for this program with funds focused on rural communities located in the Midwest and Southern regions of the Nation. A consistent decrease in the poverty rate for all regions funded has been realized over the same period. In 2024, the mandatory funding of \$5 million provided in Section 6504 of the Agriculture Improvement Act of 2018 (P.L 115-334) will expire. The request is based on continuing to receive about \$24 million in fees from the electric underwriting program.

The program is estimated to provide 34 grants in 2024. This program is funded by Mandatory funding and fees collected from the Electric Underwriting program.

In addition to the activities and functions specifically described in the budget request, current year and budget year base funds will be used to carry out activities and functions consistent with the full range of authorities and activities delegated to the agency. Continuation of this program is critical because the program; Supports a variety of purposes and activities serving local and regional-based projects in rural areas. With the requested funding of \$15 million in grants, RD can support 51 grants.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table RBCS-30. Rural Economic Development Grants Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|--------------------------------|------------------------|------------------------|---------------------------|---------------------------|
| Alabama..... | - | \$300 | - | - |
| Colorado..... | \$300 | - | - | - |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|---------------------------|----------------|----------------|-------------------|-------------------|
| Iowa..... | 548 | 2,803 | - | - |
| Minnesota..... | - | 300 | - | - |
| Missouri..... | 784 | 1,708 | - | - |
| Nebraska..... | 300 | 300 | - | - |
| North Carolina..... | 1,586 | 3,062 | - | - |
| Ohio..... | 300 | 300 | - | - |
| Oregon..... | 300 | - | - | - |
| South Dakota..... | 300 | 300 | - | - |
| Wisconsin..... | 297 | - | - | - |
| Distribution Unknown..... | - | - | \$10,000 | \$11,450 |
| Obligations..... | 4,715 | 9,074 | 10,000 | 11,450 |
| Bal. Available, EOY..... | 21,117 | 27,583 | 34,010 | 31,238 |
| Total, Available..... | 25,832 | 36,657 | 44,010 | 42,688 |

Totals may not add due to rounding.

Table RBCS-31. Reconnect Program Grants Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|---------------------------|----------------|----------------|-------------------|-------------------|
| Alaska..... | \$96,895 | - | - | - |
| Arizona..... | 3,775 | - | - | - |
| Colorado..... | 1,998 | - | - | - |
| Michigan..... | 24,944 | - | - | - |
| Montana..... | 24,973 | - | - | - |
| New Mexico..... | 18,431 | - | - | - |
| Oklahoma..... | 13,908 | - | - | - |
| Texas..... | 16,607 | - | - | - |
| Distribution Unknown..... | - | - | \$44,154 | - |
| Obligations..... | 201,531 | - | 44,154 | - |
| Bal. Available, EOY..... | 4,018 | \$44,154 | - | - |
| Total, Available..... | 205,549 | 44,154 | 44,154 | - |

Table RBCS-32. Reconnect Program Technical Assistance Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------------|----------------|----------------|-------------------|-------------------|
| Expenditure Transfer to S&E..... | - | \$2,877 | \$17,153 | - |
| Obligations..... | - | 2,877 | 17,153 | - |
| Bal. Available, EOY..... | \$20,400 | 17,153 | - | - |
| Total, Available..... | 20,400 | 20,030 | 17,153 | - |

Table RBCS-33. Reconnect Program Administrative Expenses Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------------|----------------|----------------|-------------------|-------------------|
| Expenditure Transfer to S&E..... | \$10,200 | - | - | - |
| Obligations..... | 10,200 | - | - | - |
| Total, Available..... | 10,200 | - | - | - |

Table RBCS-34. Rural Economic Development Grants Farm Bill Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|-------------------------|----------------|----------------|-------------------|-------------------|
| Colorado..... | \$300 | - | - | - |
| Iowa..... | 1,200 | - | - | - |
| Minnesota..... | 300 | - | - | - |
| Missouri..... | 656 | - | - | - |
| Nebraska..... | 300 | \$300 | - | - |
| North Carolina..... | 1,022 | 280 | - | - |
| Ohio..... | 300 | - | - | - |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|--------------------------------|------------------------|------------------------|---------------------------|---------------------------|
| Oregon..... | - | 300 | - | - |
| South Dakota..... | 637 | - | - | - |
| Distribution Unknown | - | - | \$5,000 | \$3,550 |
| Obligations..... | 4,715 | 880 | 5,000 | 3,550 |
| Bal. Available, EOY | - | 3,835 | 3,550 | - |
| Total, Available..... | 4,715 | 4,715 | 8,550 | 3,550 |

CLASSIFICATION BY OBJECTS

Table RBCS-35 Classification by Objects (thousands of dollars)

| Item No. | Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|-----------------|---|------------------------|------------------------|---------------------------|---------------------------|
| | Other Objects: | | | | |
| 25.3 | Other goods and services from Federal sources | \$10,200 | \$2,877 | \$17,153 | - |
| 41.0 | Grants, subsidies, and contributions | 210,961 | 9,954 | 59,154 | \$15,000 |
| | Total, Other Objects..... | 221,161 | 12,831 | 76,307 | 15,000 |
| 99.9 | Total, new obligations..... | 221,161 | 12,831 | 76,307 | 15,000 |

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ACCOUNT 5: RURAL COOPERATIVE DEVELOPMENT GRANTS

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

1 Rural Cooperative Development Grants
 2
 3 For rural cooperative development grants authorized under section 310B(e) of the Consolidated Farm and Rural
 4 Development Act (7 U.S.C. 1932). [~~\$29,800,000~~]\$28,300,000, of which [~~\$2,800,000~~]\$3,500,000 shall be for
 5 cooperative agreements for the appropriate technology transfer for rural areas program: *Provided*, That not to
 6 exceed [~~\$4,000,000~~]\$3,000,000 shall be for grants for cooperative development centers, individual cooperatives,
 7 or groups of cooperatives that serve socially disadvantaged groups and a majority of the boards of directors or
 8 governing boards of which are comprised of individuals who are members of socially disadvantaged groups; and
 9 of which \$16,000,000, to remain available until expended, shall be for value-added agricultural product market
 10 development grants, as authorized by section 210A of the Agricultural Marketing Act of 1946, of which
 11 \$3,000,000, to remain available until expended, shall be for Agriculture Innovation Centers authorized pursuant to
 12 section 6402 of Public Law 107–171.

LEAD-OFF TABULAR STATEMENT

Table RBCS-36. Lead-Off Tabular Statement (In dollars)

| Item | Amount |
|-------------------------|-------------------|
| Estimate, 2024 | \$28,300,000 |
| Change in Appropriation | - |
| Budget Estimate, 2025 | <u>28,300,000</u> |

PROJECT STATEMENTS

Table RBCS-37. Project Statement on Basis of Appropriations (thousands of dollars)

| Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated | Inc. or Dec. | Chg Key |
|--|----------------|----------------|-------------------|-------------------|--------------|------------|
| Discretionary Appropriations: | | | | | | |
| Rural Cooperative Development Grants | \$5,800 | \$5,800 | \$5,800 | \$5,800 | | - (1) |
| Appropriate Technology Transfer for Rural Areas | | | | | | |
| Agreements | 2,800 | 3,500 | 3,500 | 3,500 | | - (2) |
| Grants to Assist Minority Producers | 3,000 | 3,000 | 3,000 | 3,000 | | - (3) |
| VAPG Ag Marketing Development Grants | 10,140 | 10,075 | 10,075 | 10,075 | | - (4) |
| Agricultural Marketing Resource Center Grants | 325 | 325 | 325 | 325 | | - (4) |
| VAPG Beginning & Socially Disadvantaged Farmers & Ranchers..... | 1,268 | 1,300 | 1,300 | 1,300 | | - (4) |
| VAPG Marketing Development Mid-Tier Chains..... | 1,268 | 1,300 | 1,300 | 1,300 | | - (4) |
| Agriculture Innovation Demonstration Grants..... | 3,000 | 3,000 | 3,000 | 3,000 | | - (4) |
| Subtotal | 27,600 | 28,300 | 28,300 | 28,300 | | - |
| Mandatory Appropriations: | | | | | | |
| Local Agriculture Market Program VAPG..... | 16,488 | 16,488 | 16,488 | 16,488 | | - |
| Local Agriculture Market Program VAPG Admin..... | 1,450 | 1,450 | 1,450 | 1,450 | | - |
| Subtotal | 17,938 | 17,938 | 17,938 | 17,938 | | - |
| Total Adjusted Approp..... | 45,538 | 46,238 | 46,238 | 46,238 | | - |
| Add back: | | | | | | |
| Transfers In and Out, Rescissions..... | -19,022 | -19,022 | -19,022 | -19,022 | | - |
| Sequestration | 1,084 | 1,084 | 1,084 | 1,084 | | - |
| Total Appropriation..... | 27,600 | 28,300 | 28,300 | 28,300 | | - |
| Transfers In: | | | | | | |
| Commodity Credit Corporation | 19,022 | 19,022 | 19,022 | 19,022 | | - |
| Total Transfers In..... | 19,022 | 19,022 | 19,022 | 19,022 | | - |
| Sequestration | -1,084 | -1,084 | -1,084 | -1,084 | | - |
| Recoveries, Other | 4,526 | 2,770 | 741 | 519 | -\$222 | |
| Rescinded Balances..... | - | -639 | - | -8,000 | -8,000 | |
| Bal. Available, SOY..... | 16,370 | 15,762 | 13,282 | 10,208 | -3,074 | |
| Total Available..... | 66,433 | 64,130 | 60,261 | 48,965 | -11,296 | |
| Lapsing Balances | - | -7 | - | - | - | |
| Bal. Available, EOY | -15,762 | -13,282 | -10,208 | -2,280 | +7,929 | |
| Total Obligations..... | 50,671 | 50,841 | 50,053 | 46,685 | -3,368 | |

Note: The details associated with Supplemental appropriations provided to the Office of the Secretary, but implemented in this account, is found in the USDA Budget Summary and is not reflected above.

Table RBCS-38. Project Statement on Basis of Obligations (thousands of dollars)

| Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated | Inc. or Dec. |
|---|----------------|----------------|-------------------|-------------------|--------------|
| Discretionary Obligations: | | | | | |
| Rural Cooperative Development Grants | \$5,800 | \$5,793 | \$5,800 | \$5,800 | - |
| Appropriate Technology Transfer for Rural Areas | | | | | |
| Agreements | 2,800 | 3,500 | 3,500 | 3,500 | - |
| Grants to Assist Minority Producers | 3,000 | 3,000 | 3,000 | 3,000 | - |
| VAPG Ag Marketing Development Grants | 12,070 | 13,878 | 10,980 | 10,600 | -\$380 |
| Agricultural Marketing Resource Center Grants | 176 | - | 600 | 450 | -150 |
| VAPG Beginning & Socially Disadvantaged Farmers & Ranchers..... | 1,302 | 1,305 | 1,300 | 1,300 | - |
| VAPG Marketing Development Mid-tier Chains | - | - | 2,000 | 1,500 | -500 |
| Agriculture Innovation Demonstration Grants..... | 2,387 | 3,993 | 2,000 | 2,000 | - |
| Subtotal Disc Obligations | 27,535 | 31,468 | 29,180 | 28,150 | -1,030 |
| Mandatory Obligations: | | | | | |
| Local Agriculture Market Program VAPG | 16,931 | 19,064 | 17,850 | 17,100 | -750 |
| Local Agriculture Market Program VAPG Admin | 1,435 | - | 2,870 | 1,435 | -1,435 |
| Value Added Agriculture Producers Marketing Grants . | 1,970 | 309 | 153 | - | -153 |
| Value-Added Producer Grants (COVID)..... | 2,800 | - | - | - | - |
| Subtotal Mand Obligations | 23,137 | 19,373 | 20,873 | 18,535 | -2,338 |
| Total Obligations..... | 50,671 | 50,841 | 50,053 | 46,685 | -3,368 |
| Add back: | | | | | |
| Lapsing Balances | - | 7 | - | - | - |
| Balances Available, EOY: | | | | | |
| VAPG Ag Marketing Development Grants | 908 | 626 | 462 | 456 | -6 |
| Agricultural Marketing Resource Center Grants | 449 | 774 | 499 | 374 | -125 |
| Agriculture Innovation Demonstration Grants..... | 8,006 | 7,013 | 8,013 | 1,013 | -7,000 |
| VAPG Marketing Development Mid-Tier Chains..... | 2,468 | 1,300 | 600 | 400 | -200 |
| VAPG Beginning & Socially Disadvantaged Farmers & Ranchers..... | 0 | 0 | 0 | 0 | - |
| Value-Added Producer Grants (COVID)..... | 533 | 27 | 27 | 27 | - |
| Local Agriculture Market Program VAPG | 3,399 | 1,954 | 606 | 9 | -598 |
| Local Agriculture Market Program VAPG Admin | - | 1,435 | - | - | - |
| Value Added Agriculture Producers Marketing Grants (Mand.)..... | 0 | 153 | - | - | - |
| Agricultural Marketing Resource Center (Mand.)..... | 0 | 0 | 0 | 0 | - |
| Special Earmark Grants..... | 0 | 0 | 0 | 0 | - |
| Total Bal. Available, EOY | 15,762 | 13,282 | 10,208 | 2,280 | -7,929 |
| Total Available..... | 66,433 | 64,130 | 60,261 | 48,965 | -11,296 |
| Less: | | | | | |
| Total Transfers In..... | -19,022 | -19,022 | -19,022 | -19,022 | - |
| Sequestration | 1,084 | 1,084 | 1,084 | 1,084 | - |
| Recoveries, Other | -4,526 | -2,770 | -741 | -519 | +222 |
| Rescinded Balances..... | - | 639 | - | 8,000 | +8,000 |
| Bal. Available, SOY..... | -16,370 | -15,762 | -13,282 | -10,208 | +3,074 |
| Total Appropriation..... | 27,600 | 28,300 | 28,300 | 28,300 | - |

Note: The details associated with Supplemental appropriations provided to the Office of the Secretary, but implemented in this account, is found in the USDA Budget Summary and is not reflected above.

JUSTIFICATION OF CHANGES**Rural Cooperative Development Grants**

The numbers and letters of the following listing relates to values in the Change (Chg) Key column of the Project Statement:

1. No change for Rural Cooperative Development Grants (\$5,800,000 available in 2024).

Cooperatives offer an alternative to investor-owned companies through which those using the entity's goods or services are actively involved in the governance of the organization. Over the last decade, RD has used the RCDG program to develop a network of cooperative development centers whose trained staff work with new and emerging cooperatives covering a broad range of activities, including traditional farm supply, marketing, dependent care, and conversions of traditional companies to employee ownership. From 2017 to 2023, \$40.6 million has been obligated Nationwide, with the Western and Midwestern regions receiving just over 68 percent of the total funding.

The agency published on April 26, 2023, a notice in the Federal Register (88 FR 25369) to invite applications for the 2023 funding cycle. The announcement includes information on a set-aside for persistent poverty counties. The maximum grant amount for this program is \$200,000, and there is a matching fund requirement. For the program, there is a matching requirement of at least 25 percent (5 percent for 1994 Land Grant Institutions) of the total project cost. These program guidelines did not change from the 2022 announcement.

Several RCD grants were included in the November 9, 2023, announcement by USDA Secretary Vilsack, mentioned earlier, that were intended to spur economic development, catalyze rural prosperity, and advance equity through rural cooperatives. Here are just a few of the grants awarded.

- The UW Madison Board of Regents in Wisconsin was awarded \$199,985 to provide technical assistance to start-up cooperatives and established cooperatives in the areas of food systems, forestry, manufacturing, childcare, and veterinary services. This grant funding, combined with the Center's \$70,782 contribution, will help reach 58 groups and cooperatives.
- An award of \$200,000 will go to Cooperative Development Foundation to provide technical assistance to further the development and execution of a national strategy for rural home care cooperative development. Cooperative Development Foundation is a 79-year-old nonprofit headquartered in Washington, D.C. It specifically targets the home care/elder care population because there is a dire need in rural areas for elder care that is affordable. Additionally, many seniors prefer to stay in their own homes for comfort and cost-effectiveness rather than move to a group home. The grant will be used for research, outreach, and conferences, and to build and expand the capacity of home care owners to successfully manage their enterprises. This investment impacts several states: Washington, California, Minnesota, Wisconsin, Maryland, and Washington, DC.

These grants will facilitate multiyear technical assistance awards and allow the Cooperative Development Centers to have more time to plan/implement with funding certainty.

2. No change for Appropriate Technology Transfer for Rural Areas Agreements (ATTRA) (\$3,500,000 available in 2024).

This request continues support for the agency's cooperative agreement with the National Center for Appropriate Technology (NCAT). Funding for ATTRA is used to provide high-value information and technical assistance to farmers, ranchers, extension agents, educators, and others involved in sustainable agriculture in the United States. Project focuses include sustainable agriculture, sustainable and renewable energy, energy conservation, resource-efficient housing, and sustainable community development. In 2022, a grant of nearly \$3 million was made to the NCAT that is projected to assist up to 2,500 rural businesses with their services. The agency increased obligations for this program in 2023, awarding a \$3.5 million grant.

3. No change for the Grants to Assist Minority Producers program (\$3,000,000 available in 2024).

Grant funds are provided directly for assistance to small, minority agricultural producers in rural areas. Recipients include cooperative development centers, cooperatives, or associations of cooperatives whose

primary focus is to help such producers, and whose governing board and/or membership is comprised of at least 75 percent socially disadvantaged members. Grants may be used for developing business plans, conducting feasibility studies, or developing marketing plans for farmers, ranchers, loggers, agricultural harvesters, and fishermen.

For 2023, program funding supported producers in developing business in rural areas, improving the local economy, employing rural residents, and uplifting persistent poverty areas through 19 grants totaling \$3 million. Five of those grants, totaling \$875,000, directly funded persistent poverty areas. The program provides loan funds to intermediaries to capitalize revolving microloan fund programs. In the last six years RD obligated over \$21 million through this program with funding focused in the Southern, Western and Eastern regions of the Nation.

A funding level of \$3 million in 2025 will support an estimated 19 grants.

4. No Change for the Value-Added Agricultural Product Market Development Grants (VAPG) program
\$16,000,000 available in 2024).

The Value-Added Producer Grant (VAPG) program helps agricultural producers enter value-added activities related to the processing and marketing of new products. The goals of this program are to generate new products, create and expand marketing opportunities and increase producer income. The funding requested supports the agency's ability to directly assist viable Independent Producers, Agricultural Producer Groups, Farmer and Rancher Cooperatives, and Majority-Controlled Producer-Based Businesses in starting or expanding value-added activities related to the processing and/or marketing of Value-Added Agricultural Products. From the funding made available for this program, the Agriculture Innovation Center will be funded.

VAPG obligations increased from \$2.5 million in 2017 to \$38.5 million in 2023, creating/saving 675 jobs. Funding reserves of ten percent exist for (1) applications submitted by Beginning, Veteran, and Socially-Disadvantaged Farmers or Ranchers; and (2) for applications from farmers or ranchers proposing development of Mid-Tier Value Chains. Funds not obligated from these reserves by the end of the fiscal year, will be used for the VAPG general competition and made available in a subsequent application cycle. This program provides priority to applicants proposing to increase the development of local and regional food systems and is highly popular, though there is usually some annual rollover due to the structure of the applicant proposals.

To solicit applications for this program, the agency published a notice in the Federal Register (88 FR 16396) on March 17, 2023. The maximum award for planning is \$75,000 and the maximum working capital award is \$250,000. These set-asides and maximum award value remain unchanged from the 2022 announcement. This program includes a matching fund requirement of at least \$1 for every \$1 in grant funds provided by the agency; these matching funds may be in the form of cash or eligible in-kind contributions. Working Capital grants provide funds to operate a value-added project, specifically to pay the eligible project expenses directly related to the processing and/or marketing of the value-added products. Whereas Planning grants are used to fund development of a defined program of economic planning activities to determine the viability of a potential value-added venture; specifically, paying a qualified consultant to conduct and develop a feasibility study, business plan, and/or marketing plan associated with the processing and/or marketing of a value-added agricultural product.

The RD Pennsylvania State Director announced on November 27, 2023, several RD investments that will create better economic opportunities that will spur competition across the state. In his remarks, he said that these investments will result in more affordable prices and choices for consumers and more opportunities and revenue for farmers. He announced four VAPG awards totaling \$765,784 as detailed below:

- RD awarded a \$250,000 grant to Integrated AG LLC, doing business as Down to Earth Harvest (DTEH), in Chester County, Pennsylvania. The business is a small direct marketing vegetable operation. These funds will be used to provide working capital funds to support DTEH including implementing a marketing plan to expand its customer base through an online platform and processing vegetable products that will be cleaned, boxed, and ready to be delivered to customers. This project is anticipated to increase revenue by \$444,000 over a three-year period and increase the farm's customer base by about 700.
- Pocono Organics LLC in Moore County, Pennsylvania received a \$249,847 grant to provide working capital funds; these funds will be used for processing and marketing hemp and microgreen powder. This

project is expected to increase the revenue by \$346,200 over a three-year period and increase their customer base by three wholesale customers.

- Painterland Farms LLC, located in Tioga County, was awarded a grant of \$216,000 to provide working capital. The funds will streamline the expansion of their Organic Icelandic-style Skyr Yogurt production and marketing. This project anticipates an increase in revenue by \$3,539,598 over a one-year period and increase their customer base by approximately 2,000 stores.
- Casa Carmen Inc. in Chester County received a \$49,937 grant to provide working capital; the business is a family-owned winery established in 2017. The funds will be used for the processing, marketing, and distribution of vermouth and sparkling wines. This project is expected to increase their revenue by \$418,000 over a three-year period and their customer base by approximately 3,000.

A funding level of \$16 million in 2025 for the VAPG will address the demand for the program and support an estimated 71 grants. Of this total, \$3 million will support the Agriculture Innovation Center.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table RBCS-39. Rural Cooperative Development Grants Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|-------------------------|-------------|-------------|----------------|----------------|
| Alaska | \$200 | \$200 | - | - |
| California | 400 | 400 | - | - |
| Colorado..... | 90 | 200 | - | - |
| Illinois | 164 | 200 | - | - |
| Indiana..... | 90 | 200 | - | - |
| Kansas..... | 179 | 198 | - | - |
| Kentucky | 200 | 200 | - | - |
| Maryland..... | - | 200 | - | - |
| Massachusetts | 200 | 200 | - | - |
| Minnesota..... | 600 | 800 | - | - |
| Montana | 400 | 400 | - | - |
| Nebraska | 200 | 200 | - | - |
| New York..... | 80 | - | - | - |
| North Carolina | 400 | 200 | - | - |
| North Dakota..... | 200 | 200 | - | - |
| Ohio..... | 200 | 195 | - | - |
| Oregon..... | 200 | 200 | - | - |
| Pennsylvania | 200 | 200 | - | - |
| South Carolina | 200 | 200 | - | - |
| South Dakota..... | 200 | 200 | - | - |
| Texas | 199 | 200 | - | - |
| Virginia | 400 | 200 | - | - |
| Washington | 400 | 400 | - | - |
| Wisconsin..... | 400 | 200 | \$5,800 | \$5,800 |
| Obligations..... | 5,800 | 5,793 | 5,800 | 5,800 |
| Lapsing Balances | - | 7 | - | - |
| Total, Available..... | 5,800 | 5,800 | 5,800 | 5,800 |

Table RBCS-40. Appropriate Technology Transfer Grants Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|-------------------------|-------------|-------------|----------------|----------------|
| Montana | \$2,800 | \$3,500 | \$3,500 | \$3,500 |
| Obligations..... | 2,800 | 3,500 | 3,500 | 3,500 |
| Total, Available..... | 2,800 | 3,500 | 3,500 | 3,500 |

Table RBCS-41. Grants to Assist Minority Producers Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|-------------------------|-------------|-------------|----------------|----------------|
| Alabama | \$175 | \$175 | - | - |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|----------------|----------------|-------------------|-------------------|
| Alaska | - | 173 | - | - |
| Arizona..... | 270 | 105 | - | - |
| California | 350 | 350 | - | - |
| Illinois | 141 | - | - | - |
| Maryland..... | - | 175 | - | - |
| Massachusetts | 175 | 175 | - | - |
| Mississippi | 350 | 350 | - | - |
| Montana | 175 | 175 | - | - |
| Nebraska | 175 | 175 | - | - |
| New Hampshire | - | 56 | - | - |
| North Carolina | - | 175 | - | - |
| Oklahoma..... | - | 141 | - | - |
| Pennsylvania | 61 | 175 | - | - |
| Puerto Rico..... | 168 | 75 | - | - |
| South Carolina | 214 | - | - | - |
| Tennessee..... | - | 175 | - | - |
| Texas..... | 175 | 175 | - | - |
| Virginia | 175 | - | - | - |
| Washington | 350 | 175 | - | - |
| Wisconsin..... | 46 | - | - | - |
| Distribution Unknown | - | - | \$3,000 | \$3,000 |
| Obligations..... | 3,000 | 3,000 | 3,000 | 3,000 |
| Bal. Available, EOY | 2,468 | 1,300 | 600 | 400 |
| Total, Available..... | 5,468 | 4,300 | 3,600 | 3,400 |

Table RBCS-42. Discretionary Value-Added Ag. Product Marketing Development Grants Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|-------------------------|----------------|----------------|-------------------|-------------------|
| Alaska | \$125 | \$250 | - | - |
| California | 1,366 | 650 | - | - |
| Florida..... | 432 | 500 | - | - |
| Idaho | 250 | 50 | - | - |
| Indiana..... | - | 65 | - | - |
| Iowa..... | - | 679 | - | - |
| Kansas..... | 219 | - | - | - |
| Kentucky..... | 540 | - | - | - |
| Louisiana..... | - | 250 | - | - |
| Maine..... | 215 | 750 | - | - |
| Massachusetts | 250 | 50 | - | - |
| Michigan..... | 492 | - | - | - |
| Minnesota..... | 750 | - | - | - |
| Mississippi | 50 | 474 | - | - |
| Missouri..... | 333 | 619 | - | - |
| Montana | 730 | 496 | - | - |
| Nebraska | - | 315 | - | - |
| New Jersey..... | - | 55 | - | - |
| New Mexico..... | 49 | 218 | - | - |
| New York..... | 442 | 747 | - | - |
| North Carolina | - | 248 | - | - |
| North Dakota..... | 100 | - | - | - |
| Ohio..... | 108 | - | - | - |
| Oklahoma..... | - | 283 | - | - |
| Oregon..... | 485 | 509 | - | - |
| Pennsylvania | 547 | 102 | - | - |
| Puerto Rico..... | 650 | 270 | - | - |
| South Carolina | 1,459 | 2,002 | - | - |
| Tennessee..... | - | 459 | - | - |
| Texas..... | - | 293 | - | - |
| Vermont..... | 249 | 500 | - | - |
| Virginia | 1,360 | 1,250 | - | - |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|----------------|----------------|-------------------|-------------------|
| Washington | 369 | 1,045 | - | - |
| West Virginia..... | 250 | - | - | - |
| Wisconsin..... | 250 | 750 | - | - |
| Distribution Unknown | - | - | \$10,980 | \$10,600 |
| Obligations..... | 12,070 | 13,878 | 10,980 | 10,600 |
| Bal. Available, EOY | 908 | 626 | 462 | 456 |
| Total, Available..... | 12,978 | 14,504 | 11,442 | 11,056 |

Table RBCS-43. Agriculture Marketing Resource Center Grants Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|----------------|----------------|-------------------|-------------------|
| Iowa..... | \$176 | - | - | - |
| Distribution Unknown | - | - | \$600 | \$450 |
| Obligations..... | 176 | - | 600 | 450 |
| Bal. Available, EOY | 449 | \$774 | 499 | 374 |
| Total, Available..... | 625 | 774 | 1,099 | 824 |

Table RBCS-44. Discretionary VAPG Beginning & Socially Disadvantaged Farmers & Ranchers Grants Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|----------------|----------------|-------------------|-------------------|
| Alaska | \$232 | - | - | - |
| California | 70 | \$250 | - | - |
| Maine | 250 | - | - | - |
| Montana | - | 247 | - | - |
| Nebraska | - | 49 | - | - |
| New York..... | - | 93 | - | - |
| Oregon..... | 250 | - | - | - |
| South Carolina | 250 | 500 | - | - |
| Virginia | - | 165 | - | - |
| Wisconsin..... | 250 | - | - | - |
| Distribution Unknown | - | - | \$1,300 | \$1,300 |
| Obligations..... | 1,302 | 1,305 | 1,300 | 1,300 |
| Bal. Available, EOY | 0 | 0 | 0 | 0 |
| Total, Available..... | 1,302 | 1,305 | 1,300 | 1,300 |

Table RBCS-45. Discretionary VAPG Marketing Development Mid-Tire Chains Grants Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|----------------|----------------|-------------------|-------------------|
| Distribution Unknown | - | - | \$2,000 | \$1,500 |
| Obligations..... | - | - | 2,000 | 1,500 |
| Bal. Available, EOY | \$2,468 | \$1,300 | 600 | 400 |
| Total, Available..... | 2,468 | 1,300 | 2,600 | 1,900 |

Table RBCS-46. Agriculture Innovation Demonstration Grants Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|----------------|----------------|-------------------|-------------------|
| Georgia..... | - | \$995 | - | - |
| Indiana..... | \$1,000 | - | - | - |
| Maryland..... | - | 998 | - | - |
| Massachusetts | - | 1,000 | - | - |
| Minnesota..... | 500 | - | - | - |
| Missouri | 887 | - | - | - |
| Ohio..... | - | 1,000 | - | - |
| Distribution Unknown | - | - | \$2,000 | \$2,000 |
| Obligations..... | 2,387 | 3,993 | 2,000 | 2,000 |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|---------------------------|----------------|----------------|-------------------|-------------------|
| Bal. Available, EOY | 8,006 | 7,013 | 8,013 | 1,013 |
| Total, Available..... | 10,392 | 11,006 | 10,013 | 3,013 |

Table RBCS-47. Mandatory Local Agriculture Market Programs Grants Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|----------------|----------------|-------------------|-------------------|
| Alaska | \$50 | - | - | - |
| Arizona..... | - | \$493 | - | - |
| California | 530 | 2,057 | - | - |
| Colorado..... | 18 | - | - | - |
| Connecticut | 250 | - | - | - |
| Florida..... | 334 | 5 | - | - |
| Georgia..... | 750 | 1,417 | - | - |
| Hawaii | 300 | - | - | - |
| Idaho | 50 | 50 | - | - |
| Illinois | 129 | 250 | - | - |
| Iowa..... | 1,415 | - | - | - |
| Kansas..... | 33 | 413 | - | - |
| Kentucky | 224 | 627 | - | - |
| Maine | 118 | 260 | - | - |
| Maryland..... | - | 300 | - | - |
| Michigan | 500 | 500 | - | - |
| Minnesota..... | 500 | 250 | - | - |
| Mississippi | - | 224 | - | - |
| Missouri | 466 | 993 | - | - |
| Montana | 1,047 | 1,463 | - | - |
| Nebraska | 500 | 667 | - | - |
| New Hampshire | 250 | 250 | - | - |
| New Jersey..... | 750 | 254 | - | - |
| New Mexico..... | 425 | 265 | - | - |
| New York..... | 868 | 596 | - | - |
| North Carolina | 50 | 250 | - | - |
| North Dakota..... | 250 | - | - | - |
| Oklahoma..... | 250 | 250 | - | - |
| Oregon..... | 922 | 373 | - | - |
| Pennsylvania | 144 | 716 | - | - |
| Puerto Rico..... | 1,375 | 500 | - | - |
| South Carolina | 1,143 | 1,155 | - | - |
| South Dakota..... | - | 113 | - | - |
| Tennessee..... | 474 | - | - | - |
| Texas..... | 250 | 800 | - | - |
| Vermont | 221 | 264 | - | - |
| Virginia | 751 | 2,227 | - | - |
| Washington | 979 | 531 | - | - |
| West Virginia..... | 225 | - | - | - |
| Wisconsin..... | 392 | 300 | - | - |
| Wyoming..... | - | 250 | - | - |
| Distribution Unknown | - | - | \$17,850 | \$17,100 |
| Obligations..... | 16,931 | 19,064 | 17,850 | 17,100 |
| Bal. Available, EOY | 3,399 | 1,954 | 606 | 9 |
| Total, Available..... | 20,330 | 21,017 | 18,456 | 17,109 |

Totals may not add due to rounding.

Table RBCS-48. Mandatory Local Agriculture Market Programs Administrative Expenses Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------------|----------------|----------------|-------------------|-------------------|
| Expenditure Transfer to S&E..... | \$1,435 | - | \$2,870 | \$1,435 |
| Obligations..... | 1,435 | - | 2,870 | 1,435 |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

| | | | | |
|---------------------------|-------|---------|-------|-------|
| Bal. Available, EOY | - | \$1,435 | - | - |
| Total, Available..... | 1,435 | 1,435 | 2,870 | 1,435 |

Table RBCS-49. Mandatory Value-Added Producer Marketing Grants Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|----------------|----------------|-------------------|-------------------|
| Alaska | \$250 | - | - | - |
| California | 50 | - | - | - |
| Colorado..... | 250 | - | - | - |
| Connecticut | 47 | - | - | - |
| Iowa..... | 675 | - | - | - |
| Maine | 132 | - | - | - |
| Nebraska | 50 | - | - | - |
| Ohio..... | 142 | - | - | - |
| South Carolina | 274 | - | - | - |
| Washington | 50 | \$59 | - | - |
| Wisconsin..... | 50 | 250 | - | - |
| Distribution Unknown | - | - | \$153 | - |
| Obligations..... | 1,970 | 309 | 153 | - |
| Bal. Available, EOY | 0 | 153 | - | - |
| Total, Available..... | 1,970 | 462 | 153 | - |

Table RBCS-50. Mandatory Value-Added Producer Grants (COVID) Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|----------------|----------------|-------------------|-------------------|
| Arizona..... | \$69 | - | - | - |
| California | 50 | - | - | - |
| Kentucky..... | 250 | - | - | - |
| Michigan | 250 | - | - | - |
| Montana | 600 | - | - | - |
| New York..... | 250 | - | - | - |
| Ohio..... | 192 | - | - | - |
| Oregon..... | 500 | - | - | - |
| Pennsylvania | 253 | - | - | - |
| Puerto Rico..... | 250 | - | - | - |
| South Carolina | 46 | - | - | - |
| West Virginia..... | 91 | - | - | - |
| Distribution Unknown | - | - | - | - |
| Obligations..... | 2,800 | - | - | - |
| Bal. Available, EOY | 533 | \$27 | \$27 | \$27 |
| Total, Available..... | 3,333 | 27 | 27 | 27 |

CLASSIFICATION BY OBJECTS

Table RBCS-51 Classification by Objects – Discretionary Funding (thousands of dollars)

| Item No. | Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------|--|----------------|----------------|-------------------|-------------------|
| Other Objects: | | | | | |
| 41.0 | Grants, subsidies, and contributions | \$27,535 | \$31,468 | \$29,180 | \$28,150 |
| 99.9 | Total, new obligations | 27,535 | 31,468 | 29,180 | 28,150 |

Table RBCS-52 Classification by Objects – Mandatory Funding (thousands of dollars)

| Item No. | Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------|---|----------------|----------------|-------------------|-------------------|
| Other Objects: | | | | | |
| 25.3 | Other goods and services from Federal sources | \$1,435 | - | \$2,870 | \$1,435 |
| 41.0 | Grants, subsidies, and contributions | 21,702 | \$19,373 | 18,003 | 17,100 |
| 99.9 | Total, new obligations | 23,137 | 19,373 | 20,873 | 18,535 |

ACCOUNT 6: RURAL MICROENTREPRENEUR ASSISTANCE PROGRAM

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

- 1 Rural Microentrepreneur Assistance Program
- 2
- 3 For the principal amount of direct loans as authorized by section 379E of the Consolidated Farm and Rural
- 4 Development Act (7 U.S.C. 2008s), [~~\$4,777,000~~]\$8,504,000.
- 5
- 6 For the cost of loans and grants, [~~\$6,000,000~~]\$6,518,000 under the same terms and conditions as authorized by
- 7 section 379E of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008s).

LEAD-OFF TABULAR STATEMENT

Table RBCS-53. Lead-Off Tabular Statement (In dollars)

| Item | Grants | Loan Level | Subsidy |
|-------------------------|---------------|-------------------|----------------|
| Estimate, 2024 | \$4,665,000 | \$8,503,000 | \$1,335,000 |
| Change in Appropriation | - | +1,000 | +518,000 |
| Budget Estimate, 2025 | 4,665,000 | 8,504,000 | 1,853,000 |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

PROJECT STATEMENTS

Table RBCS-54. Project Statement on Basis of Appropriations (thousands of dollars)

| Item | 2022 | | 2023 | | 2024 | | 2025 | | Program Level | | Budget Authority Inc. | |
|--------------------------------------|---------------|-----------|---------------|-----------|---------------|--------------|---------------|--------------|---------------|---------|-----------------------|---------|
| | Program Level | Actual BA | Program Level | Actual BA | Program Level | Estimated BA | Program Level | Estimated BA | Inc. or Dec. | Chg Key | or Dec. | Chg Key |
| Discretionary Appropriations: | | | | | | | | | | | | |
| Microenterprise Loans | \$150,000 | - | \$11,000 | \$587 | \$8,503 | \$1,335 | \$8,504 | \$1,853 | +\$1 | (1) | +\$518 | (3) |
| Microenterprise Grants | 3,350 | \$3,350 | 4,595 | 4,595 | 4,665 | 4,665 | 4,665 | 4,665 | - | (2) | - | - |
| Subtotal | 153,350 | 3,350 | 15,595 | 5,182 | 13,168 | 6,000 | 13,169 | 6,518 | +1 | | +518 | |
| Total Adjusted Approp | 153,350 | 3,350 | 15,595 | 5,182 | 13,168 | 6,000 | 13,169 | 6,518 | +1 | | +518 | |
| Add back: | | | | | | | | | | | | |
| Transfers In and Out, Rescissions... | 3,150 | 3,150 | 14,070 | 818 | - | - | - | - | - | | - | - |
| Sequestration..... | - | - | - | - | - | - | - | - | - | | - | - |
| Total Appropriation | 156,500 | 6,500 | 29,665 | 6,000 | 13,168 | 6,000 | 13,169 | 6,518 | +1 | | +518 | |
| Transfers Out: | | | | | | | | | | | | |
| Working Capital Funds | -3,150 | -3,150 | -14,000 | -748 | - | - | - | - | - | | - | - |
| Appropriations Interchange | - | - | -70 | -70 | - | - | - | - | - | | - | - |
| Total Transfers Out..... | -3,150 | -3,150 | -14,070 | -818 | - | - | - | - | - | | - | - |
| Recoveries, Other | 101 | 184 | 2,130 | 239 | 1,038 | 285 | 784 | 280 | -254 | | -5 | - |
| Bal. Available, SOY | 336 | 794 | 10,566 | 978 | 3,061 | 960 | 1,819 | 832 | -1,242 | | -128 | - |
| Total Available..... | 153,788 | 4,328 | 28,290 | 6,399 | 17,267 | 7,245 | 15,772 | 7,630 | -1,495 | - | +257 | - |
| Lapsing Balances | -148,087 | -91 | -10,880 | -1,414 | - | - | - | - | - | | - | - |
| Bal. Available, EOY | -437 | -978 | -7,895 | -960 | -2,308 | -832 | -1,019 | -706 | +1,289 | | +126 | - |
| Total Obligations | 5,264 | 3,259 | 9,515 | 4,025 | 14,959 | 6,413 | 14,753 | 6,924 | -206 | | +511 | - |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

Table RBCS-55. Project Statement on Basis of Obligations (thousands of dollars)

| Item | 2022 | 2022 | 2023 | 2023 | 2024 | 2024 | 2025 | 2025 | Budget | |
|-----------------------------------|---------------|-----------|---------------|-----------|---------------|--------------|---------------|--------------|--------------------------------------|------------------------|
| | Program Level | Actual BA | Program Level | Actual BA | Program Level | Estimated BA | Program Level | Estimated BA | Program Level Authority Inc. or Dec. | Authority Inc. or Dec. |
| Discretionary Obligations: | | | | | | | | | | |
| Microenterprise Loans | \$2,005 | - | \$1,000 | \$53 | \$8,503 | \$1,335 | \$8,504 | \$1,853 | +\$1 | +\$518 |
| Microenterprise Grants | 3,259 | \$3,259 | 3,715 | 3,715 | 4,665 | 4,665 | 4,665 | 4,665 | - | - |
| Subtotal Disc Obligations | 5,264 | 3,259 | 4,715 | 3,769 | 13,168 | 6,000 | 13,169 | 6,518 | +1 | +518 |
| Mandatory Obligations: | | | | | | | | | | |
| Microenterprise Loans | - | - | 4,800 | 256 | 1,635 | 257 | 1,507 | 328 | -128 | +71 |
| Microenterprise Grants | - | - | - | - | 156 | 156 | 77 | 77 | -79 | -79 |
| Subtotal Mand Obligations | - | - | 4,800 | 256 | 1,791 | 413 | 1,584 | 405 | -207 | -8 |
| Total Obligations | 5,264 | 3,259 | 9,515 | 4,025 | 14,959 | 6,413 | 14,753 | 6,924 | -206 | +511 |
| Add back: | | | | | | | | | | |
| Lapsing Balances | 148,087 | 91 | 10,880 | 1,414 | - | - | - | - | - | - |
| Balances Available, EOY: | | | | | | | | | | |
| Microenterprise Loans | - | 541 | 7,326 | 391 | 1,751 | 275 | 399 | 87 | -1,352 | -188 |
| Microenterprise Grants | 437 | 437 | 569 | 569 | 557 | 557 | 619 | 619 | +62 | +62 |
| Total Bal. Available, EOY | 437 | 978 | 7,895 | 960 | 2,308 | 832 | 1,019 | 706 | -1,290 | -126 |
| Total Available..... | 153,788 | 4,328 | 28,290 | 6,399 | 2,308 | 832 | 15,771 | 706 | -1,290 | -126 |
| Less: | | | | | | | | | | |
| Total Transfers Out | 3,150 | 3,150 | 14,070 | 818 | - | - | - | - | - | - |
| Recoveries, Other | -101 | -184 | -2,130 | -239 | -1,038 | -285 | -784 | -280 | +254 | +5 |
| Bal. Available, SOY | -336 | -794 | -10,566 | -978 | -3,061 | -960 | -1,819 | -832 | +1,242 | +128 |
| Total Appropriation | 156,500 | 6,500 | 29,665 | 6,000 | 13,168 | 6,000 | 13,169 | 6,518 | +1 | +518 |

JUSTIFICATION OF CHANGES**Rural Microentrepreneur Assistance Program**

The numbers and letters of the following listing relates to values in the Change (Chg) Key column of the Project Statement:

1. A change of \$1,000 in program level for the Rural Microentrepreneur Assistance Loan program (\$8,503,000 available in 2024).

The purpose of the program is to support the development and ongoing success of rural microentrepreneurs and microenterprises. To accomplish this purpose, the program makes direct loans to selected Microenterprise Development Organizations (MDOs). Selected MDOs use the funds to provide microloans for working capital, business acquisitions, debt refinancing, fixtures, supplies, furniture, inventory, and equipment costs, and purchase or lease of facility. The program provides loan funds to intermediaries to capitalize revolving microloan fund programs. The revolving microloan fund programs make loans of not more than \$50,000 to recipients in rural communities involving equipment purchases and working capital for start-up or expansion of microenterprises. The term of the loan is for 20 years.

The rural microenterprise assistance program addresses the lack of available credit and financial market conditions for microenterprise activities. These conditions often limit the ability of rural economies to create jobs, enhance amenities, and increase incomes to enable rural families to prosper. The funding supports the Administration's priority of improving the economic opportunities in rural America and help create good paying jobs. From 2017 to 2023, \$22.1 million in Mandatory RMAP loan funding was obligated. In 2023, \$1 million in discretionary funding was obligated for RMAP loans. With the total funding made available, the agency created/saved 1,168 jobs and helped over 400 businesses and farmers.

To expedite of processing applications in 2024, the agency published a notice to solicit applications in the Federal Register (88 FR 63054) on September 14, 2023. This program has quarterly funding competitions. Since the announcement is made prior to the issuance of an appropriation, the anticipated maximum award for the loan program per award is \$500,000. Unless the applicant withdraws their completed application, if they receive a score of at least 60 and have not yet been funded, the agency will retain it for consideration in subsequent reviews through four consecutive quarterly reviews.

Obligations in 2023 include: A grant of \$100,000 will be used to provide funding to a revolving loan fund that will allow Venture North in Michigan to make microloans to small businesses. This will allow businesses access to capital to purchase equipment or working capital to grow and generate new opportunities that will help retain or create jobs in their 10-County region in Northern Michigan. Imperial Regional Alliance Inc. in California received a \$400,000 loan to capitalize a Rural Microloan Revolving Fund to make microloans to rural micro entrepreneurs and microenterprises in Imperial, San Diego, Riverside, San Bernardino, Orange, Los Angeles, Ventura, and Kern Counties. This investment is expected to create or save 24 jobs and assist at least eight businesses.

The proposed funding level of \$8.5 million in program level in 2025 meets the estimated demand in the program and will support an estimated 17 loans.

2. No change for the Rural Microentrepreneur Assistance Grants programs (\$4,665,0000 available in 2023).

The purpose of the program is to support the development and ongoing success of rural microentrepreneurs and microenterprises. With the grants the MDOs provide technical assistance to small microenterprise producers and assistance to those that otherwise may not be able to afford a loan. RMAP Grants are generally distributed evenly across all census regions with \$22.4 million in total funding from 2017-2023. The agency obligated \$3.7 million across 64 awards in 2023; most of these obligations were for Rural Microenterprise Development Organizations grants.

As discussed in the Rural Microentrepreneur Assistance Loan program, the agency published a notice in the Federal Register (88 FR 63054) in September for 2024 applications; the programs are jointly announced to the

public. The notice allows applicants time to leverage financing as well as prepare and submit applications as well as afford the agency sufficient time to process applications in 2024. The maximum grant amount is \$100,000 and there is a matching funds requirement. The Microenterprise Development Organization is required to provide a match of not less than 15 percent of the total amount of the grant in the form of matching funds, indirect costs, or in-kind goods or services.

A funding level of \$4.7 million in 2025 will support an estimated 80 grants.

3. An increase of \$518,000 in budget authority for the Rural Microentrepreneur Assistance Loan program (\$1,335,000 available in 2024).

This is the budget authority necessary to support the program level requested.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table RBCS-56. Geographic Breakdown of RMAP Discretionary Loans Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|-------------------------|----------------|----------------|-------------------|-------------------|
| Arkansas..... | \$500 | - | - | - |
| Maine | 500 | \$500 | - | - |
| Nebraska | - | 500 | - | - |
| Nevada | 250 | - | - | - |
| New Hampshire | 250 | - | - | - |
| New York..... | 430 | - | - | - |
| Wyoming..... | 75 | - | \$8,503 | \$8,504 |
| Obligations..... | 2,005 | 1,000 | 8,503 | 8,504 |
| Lapsing Balances | 147,995 | 10,000 | - | - |
| Total, Available..... | 150,000 | 11,000 | 8,503 | 8,504 |

Table RBCS-57. Geographic Breakdown of RMAP Discretionary Grants Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|-------------------------|----------------|----------------|-------------------|-------------------|
| Arizona..... | \$33 | \$66 | - | - |
| Arkansas..... | 100 | - | - | - |
| California | 289 | 382 | - | - |
| Delaware | 32 | 8 | - | - |
| Idaho | 74 | 88 | - | - |
| Illinois | 122 | 8 | - | - |
| Kentucky | 370 | 345 | - | - |
| Maine | 29 | 447 | - | - |
| Maryland..... | 7 | 167 | - | - |
| Massachusetts | 82 | 160 | - | - |
| Michigan | 43 | 165 | - | - |
| Minnesota..... | 98 | 220 | - | - |
| Missouri | 19 | 63 | - | - |
| Montana | 215 | 154 | - | - |
| Nebraska | 305 | 324 | - | - |
| Nevada | 171 | 162 | - | - |
| New Hampshire | 73 | - | - | - |
| New Jersey | 90 | 96 | - | - |
| New Mexico..... | 100 | - | - | - |
| New York..... | - | 21 | - | - |
| North Carolina | 64 | 116 | - | - |
| North Dakota..... | - | 107 | - | - |
| Ohio..... | 56 | 174 | - | - |
| Pennsylvania | 130 | 9 | - | - |
| South Carolina | 158 | 83 | - | - |
| South Dakota..... | 184 | 55 | - | - |
| Tennessee..... | 58 | 62 | - | - |
| Vermont | 54 | - | - | - |
| Washington | 90 | 85 | - | - |
| West Virginia..... | 62 | 51 | - | - |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|-------------------------|----------------|----------------|-------------------|-------------------|
| Wisconsin..... | 152 | - | - | - |
| Wyoming..... | - | 95 | \$4,665 | \$4,665 |
| Obligations..... | 3,259 | 3,715 | 4,665 | 4,665 |
| Lapsing Balances..... | 91 | 880 | - | - |
| Total, Available..... | 3,350 | 4,595 | 4,665 | 4,665 |

Table RBCS-58. Geographic Breakdown of RMAP Mandatory Loans Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|--------------------------|----------------|----------------|-------------------|-------------------|
| California..... | - | \$400 | - | - |
| Kentucky..... | - | 1,000 | - | - |
| Michigan..... | - | 500 | - | - |
| Minnesota..... | - | 500 | - | - |
| Montana..... | - | 900 | - | - |
| New Jersey..... | - | 500 | - | - |
| Vermont..... | - | 500 | - | - |
| West Virginia..... | - | 500 | \$1,635 | \$1,507 |
| Obligations..... | - | 4,800 | 1,635 | 1,507 |
| Bal. Available, EOY..... | - | 7,326 | - | - |
| Total, Available..... | - | 12,126 | 1,635 | 1,507 |

Table RBCS-59. Geographic Breakdown of RMAP Mandatory Grants Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|---------------------------|----------------|----------------|-------------------|-------------------|
| Distribution Unknown..... | - | - | \$156 | \$77 |
| Obligations..... | - | - | 156 | 77 |
| Bal. Available, EOY..... | \$437 | \$569 | 557 | 619 |
| Total, Available..... | 437 | 569 | 713 | 696 |

CLASSIFICATION BY OBJECTS

Table RBCS-60 Classification by Objects RMAP Discretionary (thousands of dollars)

| Item No. | Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------|---|----------------|----------------|-------------------|-------------------|
| Other Objects: | | | | | |
| 41.0 | Grants, subsidies, and contributions..... | \$3,259 | \$3,769 | \$6,000 | \$6,518 |
| 99.9 | Total, new obligations..... | 3,259 | 3,769 | 6,000 | 6,518 |

Table RBCS-61 Classification by Objects RMAP Mandatory (thousands of dollars)

| Item No. | Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------|---|----------------|----------------|-------------------|-------------------|
| Other Objects: | | | | | |
| 41.0 | Grants, subsidies, and contributions..... | - | \$256 | \$413 | \$406 |
| 99.9 | Total, new obligations..... | - | 256 | 413 | 406 |

ACCOUNT 7: RURAL ENERGY FOR AMERICA PROGRAM

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

- 1 Rural Energy for America Program
- 2
- 3 For the principal amount of loan guarantees, under the same terms and conditions as authorized by section 9007 of
- 4 the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107), [\$50,000,000. For the cost of a program of
- 5 loan guarantees and grants, under the same terms and conditions as authorized by section 9007 of the Farm Security
- 6 and Rural Investment Act of 2002 (7 U.S.C. 8107), \$30,000,000]\$1,000,000,000.

Change Description

The first change (line 4 to 6 of paragraph 1) eliminates language providing budget authority because the loan program has a negative subsidy rate, and no budget authority is needed. Grants will be funded through the available funds from the Inflation Reduction Act.

LEAD-OFF TABULAR STATEMENT

Table RBCS-62. Lead-Off Tabular Statement (In dollars)

| Item | Loan Level |
|-------------------------|----------------------|
| Estimate, 2024 | \$20,000,000 |
| Change in Appropriation | + 980,000,000 |
| Budget Estimate, 2025 | <u>1,000,000,000</u> |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

PROJECT STATEMENTS

Table RBCS-63. Project Statement on Basis of Appropriations (thousands of dollars)

| Item | 2022 Program Level | 2022 Actual BA | 2023 Program Level | 2023 Actual BA | 2024 Program Level | 2024 Estimated BA | 2025 Program Level | 2025 Estimated BA | Program Level Inc. or Dec. | Chg Key | Budget Authority Inc. or Dec. | Chg Key |
|--|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------------|-----------------------|-------------------------|----------------------------------|------------|-------------------------------------|------------|
| Discretionary Appropriations: | | | | | | | | | | | | |
| Guaranteed renewable energy loans..... | \$50,000 | \$420 | \$20,000 | \$18 | \$20,000 | - | \$1,000,000 | - | +\$980,000 | (1) | - | - |
| Renewable energy grants..... | 12,500 | 12,500 | - | - | - | - | - | - | - | - | - | - |
| Subtotal..... | 62,500 | 12,920 | 20,000 | 18 | 20,000 | - | 1,000,000 | - | +980,000 | - | - | - |
| Mandatory Appropriations: | | | | | | | | | | | | |
| Guaranteed renewable energy loans..... | 675,357 | 5,673 | 1,000,000 | 900 | 1,000,000 | - | 1,000,000 | - | - | - | - | - |
| Guaranteed renewable energy efficient equipment loans..... | 75,000 | 630 | - | - | - | - | - | - | - | - | - | - |
| Renewable energy grants..... | 38,961 | 38,961 | 44,364 | 44,364 | 36,777 | \$36,777 | 36,777 | \$36,777 | - | - | - | - |
| Renewable energy grants for under 20k..... | - | - | - | - | 7,544 | 7,544 | 7,544 | 7,544 | - | - | - | - |
| Renewable energy audits and technical assistance | 1,886 | 1,886 | 1,886 | 1,886 | 2,829 | 2,829 | 2,829 | 2,829 | - | - | - | - |
| Subtotal..... | 791,204 | 47,150 | 1,046,250 | 47,150 | 1,047,150 | 47,150 | 1,047,150 | 47,150 | - | - | - | - |
| Supplemental Appropriations: | | | | | | | | | | | | |
| IRA renewable energy grants..... | 820,250 | 820,250 | - | - | - | - | - | - | - | - | - | - |
| IRA renewable energy grants – new technology.. | 144,750 | 144,750 | - | - | - | - | - | - | - | - | - | - |
| IRA renewable energy grants – multi-year..... | - | - | 180,277 | 180,277 | 170,001 | 170,001 | 170,001 | 170,001 | - | - | - | - |
| IRA renewable energy grants – underutilized technology..... | - | - | 31,814 | 31,814 | 30,000 | 30,000 | 30,000 | 30,000 | - | - | - | - |
| Subtotal..... | 965,000 | 965,000 | 212,090 | 212,090 | 200,001 | 200,001 | 200,001 | 200,001 | - | - | - | - |
| Total Adjusted Approp..... | 1,818,704 | 1,025,070 | 1,278,340 | 259,258 | 1,267,151 | 247,151 | 2,247,151 | 247,151 | +980,000 | - | - | - |
| Add back: | | | | | | | | | | | | |
| Transfers In and Out, Rescissions..... | -839,029 | -50,000 | -1,109,491 | -50,000 | -1,050,000 | -50,000 | -1,050,000 | -50,000 | - | - | - | - |
| Sequestration..... | 47,825 | 2,850 | 63,241 | 2,850 | 14,939 | 14,939 | 14,939 | 14,939 | - | - | - | - |
| Total Appropriation..... | 1,027,500 | 977,920 | 232,090 | 212,108 | 232,090 | 212,090 | 1,212,090 | 212,090 | +980,000 | - | - | - |
| Transfers In: | | | | | | | | | | | | |
| Commodity Credit Corporation..... | 839,029 | 50,000 | 1,109,491 | 50,000 | 1,050,000 | 50,000 | 1,050,000 | 50,000 | - | - | - | - |
| Total Transfers In..... | 839,029 | 50,000 | 1,109,491 | 50,000 | 1,050,000 | 50,000 | 1,050,000 | 50,000 | - | - | - | - |
| Sequestration..... | -47,825 | -2,850 | -63,241 | -2,850 | -14,939 | -14,939 | -14,939 | -14,939 | - | - | - | - |
| Recoveries, Other..... | 85,002 | 8,837 | 8,438 | 11,623 | 5,265 | 6,015 | 5,170 | 5,900 | -95 | - | -\$115 | - |
| Bal. Available, SOY..... | 481,175 | 13,958 | 2,981,430 | 983,967 | 766,335 | 768,848 | 5,479 | 8,743 | -760,856 | - | -760,106 | - |
| Total Available..... | 2,384,881 | 1,047,865 | 4,268,208 | 1,254,848 | 2,038,751 | 1,022,014 | 2,257,800 | 261,794 | 219,049 | - | -760,221 | - |
| Lapsing Balances..... | -0 | -0 | -2,248 | -2 | - | - | - | - | - | - | - | - |
| Bal. Available, EOY..... | -1,739,823 | -983,967 | -3,558,841 | -768,848 | -5,479 | -8,743 | -4,749 | -8,743 | +730 | - | - | - |
| Total Obligations..... | 645,058 | 63,897 | 707,119 | 485,997 | 2,033,272 | 1,013,272 | 2,253,051 | 253,051 | +219,779 | - | -760,221 | - |

Note: The details associated with Supplemental appropriations provided to the Office of the Secretary, but implemented in this account, is found in the USDA Budget Summary and is not reflected above.

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

Table RBCS-64. Project Statement on Basis of Obligations (thousands of dollars)

| Item | 2022 | 2022 | 2023 | 2023 | 2024 | 2024 | 2025 | 2025 | Program | Budget |
|--|---------------|-----------|---------------|-----------|---------------|--------------|---------------|--------------|--------------------|------------------------|
| | Program Level | Actual BA | Program Level | Actual BA | Program Level | Estimated BA | Program Level | Estimated BA | Level Inc. or Dec. | Authority Inc. or Dec. |
| Discretionary Obligations: | | | | | | | | | | |
| Guaranteed renewable energy loans..... | \$50,000 | \$420 | \$17,752 | \$16 | \$20,000 | - | \$1,000,000 | - | +\$980,000 | - |
| Sec 781 renewable energy grants pilot program..... | - | - | 10,000 | 10,000 | - | - | - | - | - | - |
| Renewable energy grants..... | 12,500 | 12,500 | - | - | - | - | - | - | - | - |
| Subtotal Disc oblig..... | 62,500 | 12,920 | 27,752 | 10,016 | 20,000 | - | 1,000,000 | - | +980,000 | - |
| Mandatory Obligations: | | | | | | | | | | |
| Guaranteed renewable energy loans..... | 469,084 | 3,940 | 178,569 | 161 | 1,000,000 | - | 1,000,000 | - | - | - |
| Guaranteed renewable energy efficient equipment loans | 67,000 | 563 | 25,000 | 23 | - | - | - | - | - | - |
| Renewable energy grants..... | 35,119 | 35,119 | 54,408 | 54,408 | 43,500 | \$43,500 | 41,500 | \$41,500 | -2,000 | -\$2,000 |
| Renewable energy grants for under 20k..... | 9,472 | 9,472 | 685 | 685 | 8,400 | 8,400 | 8,400 | 8,400 | - | - |
| Renewable energy audits and technical assistance..... | 1,884 | 1,884 | 1,886 | 1,886 | 3,100 | 3,100 | 3,150 | 3,150 | +50 | +50 |
| Subtotal Mand Oblig..... | 582,558 | 50,978 | 260,548 | 57,162 | 1,055,000 | 55,000 | 1,053,050 | 53,050 | -1,950 | -1,950 |
| Supplemental Obligations: | | | | | | | | | | |
| IRA renewable energy grants..... | - | - | 383,959 | 383,959 | 581,041 | 581,041 | - | - | -581,041 | -581,041 |
| IRA renewable energy grants - multi-year..... | - | - | 6,009 | 6,009 | 344,268 | 344,268 | 170,001 | 170,001 | -174,267 | -174,267 |
| IRA renewable energy grants - underutilized technology | - | - | 28,851 | 28,851 | 32,962 | 32,962 | 30,000 | 30,000 | -2,962 | -2,962 |
| Subtotal Supp Oblig..... | - | - | 418,819 | 418,819 | 958,272 | 958,272 | 200,001 | 200,001 | -758,271 | -758,271 |
| Total Obligations..... | 645,058 | 63,897 | 707,119 | 485,997 | 2,033,272 | 1,013,272 | 2,253,051 | 253,051 | +219,779 | -760,221 |
| Add back: | | | | | | | | | | |
| Lapsing Balances..... | 0 | 0 | 2,248 | 2 | - | - | - | - | - | - |
| Balances Available, EOY: | | | | | | | | | | |
| Guaranteed renewable energy loans..... | 749,656 | 1,733 | 2,742,839 | 2,469 | - | 3,219 | - | 3,949 | - | +730 |
| Guaranteed renewable energy efficient equipment loans | 8,000 | 67 | 49,667 | 45 | - | 45 | - | 45 | - | - |
| Renewable energy grants..... | 6,223 | 6,223 | 6,645 | 6,645 | 4,172 | 4,172 | 3,624 | 3,624 | -548 | -548 |
| Renewable energy grants for under 20k..... | 691 | 691 | 1,061 | 1,061 | 965 | 965 | 854 | 854 | -111 | -111 |
| Renewable energy audits and technical assistance..... | 253 | 253 | 358 | 358 | 342 | 342 | 271 | 271 | -71 | -71 |
| Sec 781 renewable energy grants pilot program..... | 10,000 | 10,000 | - | - | - | - | - | - | - | - |
| IRA renewable energy grants..... | 820,250 | 820,250 | 581,041 | 581,041 | - | - | - | - | - | - |
| IRA renewable energy grants - new technology..... | 144,750 | 144,750 | - | - | - | - | - | - | - | - |
| IRA renewable energy grants - multi-year..... | - | - | 174,267 | 174,267 | - | - | - | - | - | - |
| IRA renewable energy grants - underutilized technology | - | - | 2,962 | 2,962 | - | - | - | - | - | - |
| Total Bal. Available, EOY..... | 1,739,823 | 983,967 | 3,558,841 | 768,848 | 5,479 | 8,743 | 4,749 | 8,743 | -730 | +0 |
| Total Available..... | 2,384,881 | 1,047,865 | 4,268,208 | 1,254,848 | 2,038,751 | 1,022,014 | 2,257,800 | 261,794 | +219,049 | -760,221 |
| Less: | | | | | | | | | | |
| Total Transfers In..... | -839,029 | -50,000 | -1,109,491 | -50,000 | -1,050,000 | -50,000 | -1,050,000 | -50,000 | - | - |
| Sequestration..... | 47,825 | 2,850 | 63,241 | 2,850 | 14,939 | 14,939 | 14,939 | 14,939 | - | - |
| Recoveries, Other..... | -85,002 | -8,837 | -8,438 | -11,623 | -5,265 | -6,015 | -5,170 | -5,900 | +95 | +115 |
| Bal. Available, SOY..... | -481,175 | -13,958 | -2,981,430 | -983,967 | -766,335 | -768,848 | -5,479 | -8,743 | +760,856 | +760,106 |
| Total Appropriation..... | 1,027,500 | 977,920 | 232,090 | 212,108 | 232,090 | 212,090 | 1,212,090 | 212,090 | +980,000 | - |

Note: The details associated with Supplemental appropriations provided to the Office of the Secretary, but implemented in this account, is found in the USDA Budget Summary and is not reflected above.

JUSTIFICATION OF CHANGES**Rural Energy for America Program**

The numbers and letters of the following listing relates to values in the Change (Chg) Key column of the Project Statement:

1. An increase of \$980,000,000 in program level for the Rural Energy for America (REAP) Guaranteed Loans program (\$20,000,000 available in 2024).

The REAP program provides guaranteed loan financing to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements. Agricultural producers may also apply for new energy efficient equipment and new system loans for agricultural production and processing. The purpose of program funding is to assist farmers, ranchers, and rural small businesses in developing these types of renewable energy systems and making energy-efficiency improvements to their operations.

Although this program receives \$50 million in mandatory budget authority, with a negative subsidy rate the program will support loans at the \$1 billion loan level.

This program also received funding under Section 22002 of the Inflation Reduction Act (IRA), which provided up to \$2.025 billion for the Rural Energy for America Program, with \$303 million set aside for underutilized technologies and technical assistance. Funds are anticipated to support renewable energy and energy-efficiency projects for more than 41,500 farms and small businesses. This REAP funding request of \$1 billion in discretionary loan authority will allow RBCS to use IRA funds for REAP grants. The IRA funding will be used to support grants and the discretionary funding will support loans. Because of the constraints imposed by the IRA legislation on outlays occurring by 2031, loan guarantees cannot be made as RD cannot guarantee claims beyond 2031.

In Executive Order 14008, the Administration established that 40 percent of the benefits from Federal funding would be for distressed communities. The Justice 40 Initiative is a critical part of the Administration's whole-of-government approach to advancing climate action and environmental justice. REAP is essential for meeting the goals of the Administration.

Program obligations for discretionary funds have increased from \$7 million in 2017 to a high of over \$50 million in 2022, totaling over \$129 million in guaranteed loans funded for eligible energy projects. More than \$2.4 billion has been obligated in REAP Mandatory funding over the same period. In 2023, REAP invested over \$221.3 million. The Midwest region received \$32.8 million, the Northeast region received \$68.7 million, the South region received \$36.5 million, and the West region received \$83.3 million.

RBCS published several notices in 2023 regarding the solicitation of applications for the REAP program. Due to the overwhelming response to REAP for 2023, the agency published a document in the Federal Register (88 FR 63053) notifying the public that the agency will continue processing applications received by June 30, 2023, into the first quarter of 2024 for participation in the national unrestricted pooling competitions.

Obligations in 2023 include:

- Oxford Solar 1, LLC in Georgia operates a rural small business specializing in solar energy power generation. They will use a grant of \$1million to assist farmers, ranchers, and rural small businesses in developing renewable energy systems, and in making energy-efficiency improvements to their operations. This RD investment will be used for the purchase and installation of a 2.6MW Single Access Solar PV energy system in Oxford and Newton County, Georgia. This project will generate 4,864,986 kWh per year, which is enough electricity to power 450 homes, and will realize \$228,654 in revenue per year.
- A REAP loan of \$18.3 million will be used to build a dairy manure-to-RNG project at Wolf Creek Dairy located in Windsor, Colorado. Biogas will be produced from dairy manure utilizing a digester. The project will generate an estimated 450-500 SCFM of raw biogas per year.

A funding level of \$1 billion in 2025 will support an estimated 123 loans. This program contributes directly to Justice 40/Equity and Climate Change Administration Initiatives.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table RBCS-65. Geographic Breakdown of Obligations Discretionary REAP Loans (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|----------------|----------------|-------------------|-------------------|
| California | - | \$13,200 | - | - |
| Maine | \$635 | - | - | - |
| New York..... | - | 4,552 | - | - |
| North Carolina | 8,815 | - | - | - |
| South Carolina | 25,000 | - | - | - |
| Virginia | 10,400 | - | - | - |
| West Virginia..... | 150 | - | - | - |
| Wisconsin..... | 5,000 | - | - | - |
| Distribution Unknown | - | - | \$20,000 | \$1,000,000 |
| Obligations..... | 50,000 | 17,752 | 20,000 | 1,000,000 |
| Lapsing Balances | - | 2,248 | - | - |
| Total, Available..... | 50,000 | 20,000 | 20,000 | 1,000,000 |

Table RBCS-66. Geographic Breakdown of Obligations Discretionary Section 781 Grants (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|---------------------------|----------------|----------------|-------------------|-------------------|
| Alaska | - | \$2,604 | - | - |
| Arizona..... | - | 1,961 | - | - |
| Arkansas..... | - | 337 | - | - |
| California | - | 2,000 | - | - |
| Oklahoma..... | - | 2,000 | - | - |
| Puerto Rico..... | - | 1,098 | - | - |
| Obligations..... | - | 10,000 | - | - |
| Bal. Available, EOY | \$10,000 | - | - | - |
| Total, Available..... | 10,000 | 10,000 | - | - |

Table RBCS-67. Geographic Breakdown of Obligations Discretionary REAP Grants (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|-------------------------|----------------|----------------|-------------------|-------------------|
| Alaska | \$87 | - | - | - |
| Arkansas..... | 421 | - | - | - |
| California | 1,194 | - | - | - |
| Connecticut | 22 | - | - | - |
| Delaware | 146 | - | - | - |
| Florida | 111 | - | - | - |
| Georgia..... | 379 | - | - | - |
| Illinois | 788 | - | - | - |
| Indiana..... | 1,326 | - | - | - |
| Iowa..... | 1,310 | - | - | - |
| Kentucky | 123 | - | - | - |
| Maryland..... | 37 | - | - | - |
| Massachusetts | 17 | - | - | - |
| Michigan | 790 | - | - | - |
| Minnesota..... | 1,367 | - | - | - |
| Missouri | 169 | - | - | - |
| Nebraska | 946 | - | - | - |
| New Hampshire | 364 | - | - | - |
| New Jersey..... | 8 | - | - | - |
| New Mexico..... | 159 | - | - | - |
| New York..... | 125 | - | - | - |
| North Carolina | 296 | - | - | - |
| Ohio..... | 195 | - | - | - |
| Oklahoma..... | 29 | - | - | - |
| Pennsylvania | 175 | - | - | - |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|-------------------------|----------------|----------------|-------------------|-------------------|
| Puerto Rico..... | 881 | - | - | - |
| Rhode Island | 25 | - | - | - |
| Tennessee | 30 | - | - | - |
| Texas..... | 252 | - | - | - |
| Vermont | 689 | - | - | - |
| West Virginia..... | 20 | - | - | - |
| Wyoming..... | 18 | - | - | - |
| Obligations..... | 12,500 | - | - | - |
| Lapsing Balances | 0 | - | - | - |
| Total, Available..... | 12,500 | - | - | - |

Table RBCS-68. Geographic Breakdown of Obligations Mandatory REAP loans (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|----------------|----------------|-------------------|-------------------|
| California | \$44,008 | \$26,800 | - | - |
| Colorado..... | 8,000 | 18,326 | - | - |
| Connecticut | 3,688 | - | - | - |
| Idaho | - | 25,000 | - | - |
| Illinois | 3,505 | 25,000 | - | - |
| Indiana..... | - | 7,750 | - | - |
| Maine | 119,564 | 16,380 | - | - |
| Maryland..... | - | - | - | - |
| Massachusetts | - | 9,050 | - | - |
| Minnesota..... | 19,781 | - | - | - |
| New York..... | 60,083 | 26,675 | - | - |
| North Carolina | 114,336 | 9,305 | - | - |
| Oklahoma..... | 4,995 | - | - | - |
| South Carolina | 62,010 | 2,235 | - | - |
| Vermont | - | 12,048 | - | - |
| Virginia | 10,000 | - | - | - |
| Wyoming..... | 19,113 | - | - | - |
| Distribution Unknown | - | - | \$1,000,000 | \$1,000,000 |
| Obligations..... | 469,084 | 178,569 | 1,000,000 | 1,000,000 |
| Bal. Available, EOY | 749,656 | 2,050,943 | - | - |
| Total, Available..... | 1,218,739 | 2,229,512 | 1,000,000 | 1,000,000 |

Table RBCS-69. Geographic Breakdown of Obligations Mandatory REAP Equipment loans (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|---------------------------|----------------|----------------|-------------------|-------------------|
| Georgia..... | - | \$25,000 | - | - |
| Kentucky | \$50,000 | - | - | - |
| Rhode Island | 17,000 | - | - | - |
| Obligations..... | 67,000 | 25,000 | - | - |
| Bal. Available, EOY | 8,000 | 49,667 | - | - |
| Total, Available..... | 75,000 | 74,667 | - | - |

Table RBCS-70. Geographic Breakdown of Obligations Mandatory REAP Grants (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|-------------------------|----------------|----------------|-------------------|-------------------|
| Alabama..... | \$884 | - | - | - |
| Alaska | 518 | - | - | - |
| Arizona..... | 574 | \$1,402 | - | - |
| Arkansas..... | 708 | - | - | - |
| California | 1,345 | 14,670 | - | - |
| Colorado..... | 625 | 415 | - | - |
| Connecticut | 425 | - | - | - |
| Delaware | 382 | - | - | - |
| Florida..... | 1,061 | - | - | - |
| Georgia..... | 1,023 | 3,000 | - | - |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|---------------------------|----------------|----------------|-------------------|-------------------|
| Guam..... | 50 | - | - | - |
| Hawaii..... | 351 | - | - | - |
| Idaho..... | 540 | 1,000 | - | - |
| Illinois..... | 643 | 2,500 | - | - |
| Indiana..... | 1,092 | - | - | - |
| Iowa..... | 925 | 1,143 | - | - |
| Kansas..... | 288 | 3,120 | - | - |
| Kentucky..... | 887 | - | - | - |
| Louisiana..... | 491 | - | - | - |
| Maine..... | 514 | 1,350 | - | - |
| Maryland..... | 1,122 | 247 | - | - |
| Massachusetts..... | 284 | - | - | - |
| Michigan..... | 858 | 1,000 | - | - |
| Minnesota..... | 892 | 1,000 | - | - |
| Mississippi..... | 819 | - | - | - |
| Missouri..... | 568 | - | - | - |
| Montana..... | 141 | - | - | - |
| Nebraska..... | 1,177 | 4,034 | - | - |
| New Hampshire..... | 1,333 | - | - | - |
| New Jersey..... | 381 | - | - | - |
| New Mexico..... | 500 | 1,000 | - | - |
| New York..... | 1,063 | 5,000 | - | - |
| North Carolina..... | 1,176 | - | - | - |
| North Dakota..... | 226 | - | - | - |
| Ohio..... | 869 | - | - | - |
| Oklahoma..... | 571 | - | - | - |
| Oregon..... | 519 | 1,000 | - | - |
| Pennsylvania..... | 842 | 4,485 | - | - |
| Puerto Rico..... | 486 | - | - | - |
| Rhode Island..... | 201 | - | - | - |
| South Carolina..... | 752 | 1,000 | - | - |
| South Dakota..... | 425 | 175 | - | - |
| Tennessee..... | 905 | - | - | - |
| Texas..... | 1,288 | 4,000 | - | - |
| Utah..... | 380 | - | - | - |
| Vermont..... | 1,007 | 31 | - | - |
| Virginia..... | 731 | - | - | - |
| Washington..... | 578 | 500 | - | - |
| West Virginia..... | 658 | 239 | - | - |
| Wisconsin..... | 681 | 2,097 | - | - |
| Wyoming..... | 364 | - | - | - |
| Distribution Unknown..... | - | - | \$43,500 | \$41,500 |
| Obligations..... | 35,119 | 54,408 | 43,500 | 41,500 |
| Bal. Available, EOY..... | 6,223 | 6,645 | 4,172 | 3,624 |
| Total, Available..... | 41,343 | 61,053 | 47,672 | 45,124 |

Table RBCS-71. Geographic Breakdown of Obligations Mandatory REAP Grants under \$20k (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|-------------------------|----------------|----------------|-------------------|-------------------|
| Alabama..... | \$55 | \$14 | - | - |
| Alaska..... | 66 | 19 | - | - |
| Arizona..... | 143 | - | - | - |
| Arkansas..... | 90 | - | - | - |
| California..... | 60 | 56 | - | - |
| Colorado..... | 63 | 8 | - | - |
| Connecticut..... | 11 | 40 | - | - |
| Delaware..... | 65 | 20 | - | - |
| Florida..... | 87 | - | - | - |
| Georgia..... | 126 | - | - | - |
| Hawaii..... | 20 | - | - | - |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|---------------------------|----------------|----------------|-------------------|-------------------|
| Idaho | 136 | 32 | - | - |
| Illinois | 505 | 39 | - | - |
| Indiana..... | 248 | - | - | - |
| Iowa..... | 1,113 | - | - | - |
| Kansas..... | 180 | - | - | - |
| Kentucky..... | 294 | - | - | - |
| Louisiana..... | 78 | 20 | - | - |
| Maine..... | 133 | - | - | - |
| Maryland..... | 65 | - | - | - |
| Massachusetts..... | 69 | 19 | - | - |
| Michigan..... | 331 | - | - | - |
| Minnesota..... | 1,107 | 40 | - | - |
| Mississippi..... | 151 | - | - | - |
| Missouri..... | 801 | 18 | - | - |
| Montana..... | 148 | 5 | - | - |
| Nebraska..... | 273 | 14 | - | - |
| Nevada..... | 8 | - | - | - |
| New Hampshire..... | 165 | - | - | - |
| New Mexico..... | 123 | - | - | - |
| New York..... | 301 | - | - | - |
| North Carolina..... | - | 20 | - | - |
| North Dakota..... | 78 | 20 | - | - |
| Ohio..... | 116 | - | - | - |
| Oklahoma..... | 93 | - | - | - |
| Oregon..... | 195 | - | - | - |
| Pennsylvania..... | 312 | 120 | - | - |
| Puerto Rico..... | 174 | - | - | - |
| Rhode Island..... | 40 | - | - | - |
| South Carolina..... | 34 | - | - | - |
| South Dakota..... | 143 | 20 | - | - |
| Tennessee..... | 118 | 60 | - | - |
| Texas..... | 79 | - | - | - |
| Utah..... | 16 | - | - | - |
| Vermont..... | 142 | 20 | - | - |
| Virginia..... | 80 | - | - | - |
| Washington..... | 218 | 61 | - | - |
| West Virginia..... | 225 | 19 | - | - |
| Wisconsin..... | 345 | - | - | - |
| Wyoming..... | 49 | - | - | - |
| Distribution Unknown..... | - | - | \$8,400 | \$8,400 |
| Obligations..... | 9,472 | 685 | 8,400 | 8,400 |
| Bal. Available, EOY..... | 691 | 1,061 | 965 | 854 |
| Total, Available..... | 10,162 | 1,746 | 9,365 | 9,254 |

Table RBCS-72. Geographic Breakdown of Obligations Mandatory REAP Technical Assistance Grants (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|-------------------------|----------------|----------------|-------------------|-------------------|
| Alabama..... | \$100 | - | - | - |
| Alaska..... | 200 | - | - | - |
| Arizona..... | - | \$100 | - | - |
| Colorado..... | 100 | - | - | - |
| Connecticut..... | 100 | - | - | - |
| Georgia..... | - | 100 | - | - |
| Kansas..... | 100 | - | - | - |
| Kentucky..... | 200 | 100 | - | - |
| Louisiana..... | - | 86 | - | - |
| Michigan..... | - | 100 | - | - |
| Minnesota..... | - | 100 | - | - |
| Mississippi..... | 54 | - | - | - |
| Missouri..... | - | 200 | - | - |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|----------------|----------------|-------------------|-------------------|
| New Hampshire | 191 | - | - | - |
| New Jersey | 100 | - | - | - |
| New Mexico | - | 100 | - | - |
| North Carolina | 89 | 200 | - | - |
| Ohio | - | 100 | - | - |
| Oklahoma | 100 | 100 | - | - |
| Oregon | 200 | 200 | - | - |
| Pennsylvania | 100 | 100 | - | - |
| Tennessee | - | 100 | - | - |
| Texas | 50 | - | - | - |
| Washington | 200 | 200 | - | - |
| Distribution Unknown | - | - | \$3,100 | \$3,150 |
| Obligations | 1,884 | 1,886 | 3,100 | 3,150 |
| Bal. Available, EOY | 253 | 358 | 342 | 271 |
| Total, Available | 2,137 | 2,244 | 3,442 | 3,421 |

Table RBCS-73. Geographic Breakdown of Obligations Mandatory REAP IRA Grants (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|----------------|----------------|-------------------|-------------------|
| Alabama | - | \$4,179 | - | - |
| Alaska | - | 532 | - | - |
| Arizona | - | 2,902 | - | - |
| Arkansas | - | 5,044 | - | - |
| California | - | 5,173 | - | - |
| Colorado | - | 5,278 | - | - |
| Connecticut | - | 2,505 | - | - |
| Delaware | - | 1,228 | - | - |
| District of Columbia | - | 3,900 | - | - |
| Florida | - | 6,671 | - | - |
| Georgia | - | 10,342 | - | - |
| Guam | - | 162 | - | - |
| Hawaii | - | 3,251 | - | - |
| Idaho | - | 7,671 | - | - |
| Illinois | - | 83,785 | - | - |
| Indiana | - | 9,506 | - | - |
| Iowa | - | 17,069 | - | - |
| Kansas | - | 5,342 | - | - |
| Kentucky | - | 7,327 | - | - |
| Louisiana | - | 6,216 | - | - |
| Maine | - | 2,292 | - | - |
| Maryland | - | 3,437 | - | - |
| Massachusetts | - | 2,304 | - | - |
| Michigan | - | 13,367 | - | - |
| Minnesota | - | 17,206 | - | - |
| Mississippi | - | 11,552 | - | - |
| Missouri | - | 13,053 | - | - |
| Montana | - | 2,630 | - | - |
| Nebraska | - | 6,552 | - | - |
| Nevada | - | 2,139 | - | - |
| New Hampshire | - | 3,204 | - | - |
| New Jersey | - | 4,914 | - | - |
| New Mexico | - | 1,615 | - | - |
| New York | - | 6,580 | - | - |
| North Carolina | - | 9,796 | - | - |
| North Dakota | - | 4,301 | - | - |
| Ohio | - | 13,117 | - | - |
| Oklahoma | - | 3,996 | - | - |
| Oregon | - | 2,342 | - | - |
| Pennsylvania | - | 16,945 | - | - |
| Puerto Rico | - | 5,981 | - | - |
| Rhode Island | - | 296 | - | - |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|----------------|----------------|-------------------|-------------------|
| South Carolina | - | 2,626 | - | - |
| South Dakota..... | - | 5,556 | - | - |
| Tennessee | - | 2,783 | - | - |
| Texas | - | 7,317 | - | - |
| Utah..... | - | 3,027 | - | - |
| Vermont | - | 4,995 | - | - |
| Virginia | - | 3,639 | - | - |
| Washington | - | 9,022 | - | - |
| West Virginia..... | - | 4,212 | - | - |
| Wisconsin..... | - | 4,973 | - | - |
| Wyoming..... | - | 107 | - | - |
| Distribution Unknown | - | - | \$581,041 | - |
| Obligations..... | - | 383,959 | 581,041 | - |
| Bal. Available, EOY | 820,250 | 581,041 | - | - |
| Total, Available..... | 820,250 | 965,000 | 581,041 | - |

Table RBCS-74. Geographic Breakdown of Obligations Mandatory REAP IRA multi-year Grants (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|-------------------------|----------------|----------------|-------------------|-------------------|
| Alaska | - | \$73 | - | - |
| California | - | 137 | - | - |
| Colorado..... | - | 91 | - | - |
| Connecticut | - | 90 | - | - |
| Delaware | - | 29 | - | - |
| Georgia..... | - | 201 | - | - |
| Guam..... | - | 16 | - | - |
| Hawaii | - | 9 | - | - |
| Idaho | - | 125 | - | - |
| Illinois | - | 544 | - | - |
| Iowa..... | - | 505 | - | - |
| Kansas | - | 229 | - | - |
| Kentucky..... | - | 197 | - | - |
| Louisiana..... | - | 31 | - | - |
| Maine | - | 308 | - | - |
| Maryland..... | - | 40 | - | - |
| Massachusetts | - | 50 | - | - |
| Michigan | - | 212 | - | - |
| Minnesota..... | - | 224 | - | - |
| Mississippi | - | 70 | - | - |
| Missouri | - | 222 | - | - |
| Montana | - | 180 | - | - |
| Nebraska | - | 365 | - | - |
| Nevada | - | 12 | - | - |
| New Mexico..... | - | 54 | - | - |
| New York..... | - | 72 | - | - |
| North Carolina | - | 86 | - | - |
| North Dakota..... | - | 19 | - | - |
| Ohio..... | - | 198 | - | - |
| Oklahoma..... | - | 48 | - | - |
| Oregon..... | - | 227 | - | - |
| Pennsylvania | - | 346 | - | - |
| Puerto Rico..... | - | 139 | - | - |
| South Carolina | - | 35 | - | - |
| Tennessee..... | - | 71 | - | - |
| Texas..... | - | 8 | - | - |
| Utah..... | - | 21 | - | - |
| Vermont | - | 72 | - | - |
| Virginia | - | 78 | - | - |
| Washington | - | 151 | - | - |
| West Virginia..... | - | 169 | - | - |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|--------------------------|----------------|----------------|-------------------|-------------------|
| Wisconsin..... | - | 203 | - | - |
| Wyoming..... | - | 49 | \$344,268 | \$170,001 |
| Obligations..... | - | 6,009 | 344,268 | 170,001 |
| Bal. Available, EOY..... | - | 174,267 | - | - |
| Total, Available..... | - | 180,277 | 344,268 | 170,001 |

Table RBCS-75. Geographic Breakdown of Obligations Mandatory REAP IRA Utilities Grants (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|---------------------------|----------------|----------------|-------------------|-------------------|
| Alabama..... | - | \$500 | - | - |
| Alaska..... | - | 500 | - | - |
| Arizona..... | - | 500 | - | - |
| Arkansas..... | - | 500 | - | - |
| California..... | - | 500 | - | - |
| Colorado..... | - | 500 | - | - |
| Connecticut..... | - | 437 | - | - |
| Delaware..... | - | 100 | - | - |
| District of Columbia..... | - | 5,600 | - | - |
| Florida..... | - | 500 | - | - |
| Georgia..... | - | 500 | - | - |
| Hawaii..... | - | 427 | - | - |
| Idaho..... | - | 500 | - | - |
| Illinois..... | - | 247 | - | - |
| Indiana..... | - | 472 | - | - |
| Iowa..... | - | 500 | - | - |
| Kansas..... | - | 500 | - | - |
| Kentucky..... | - | 500 | - | - |
| Louisiana..... | - | 500 | - | - |
| Maine..... | - | 403 | - | - |
| Maryland..... | - | 455 | - | - |
| Massachusetts..... | - | 499 | - | - |
| Michigan..... | - | 500 | - | - |
| Minnesota..... | - | 485 | - | - |
| Missouri..... | - | 500 | - | - |
| Montana..... | - | 500 | - | - |
| Nebraska..... | - | 500 | - | - |
| Nevada..... | - | 500 | - | - |
| New Hampshire..... | - | 499 | - | - |
| New Jersey..... | - | 325 | - | - |
| New Mexico..... | - | 500 | - | - |
| New York..... | - | 477 | - | - |
| North Carolina..... | - | 500 | - | - |
| North Dakota..... | - | 427 | - | - |
| Ohio..... | - | 497 | - | - |
| Oklahoma..... | - | 500 | - | - |
| Oregon..... | - | 500 | - | - |
| Pennsylvania..... | - | 499 | - | - |
| Puerto Rico..... | - | 500 | - | - |
| Rhode Island..... | - | 500 | - | - |
| South Carolina..... | - | 500 | - | - |
| South Dakota..... | - | 500 | - | - |
| Tennessee..... | - | 500 | - | - |
| Texas..... | - | 500 | - | - |
| Utah..... | - | 500 | - | - |
| Vermont..... | - | 452 | - | - |
| Virgin Islands..... | - | 100 | - | - |
| Virginia..... | - | 500 | - | - |
| Washington..... | - | 500 | - | - |
| West Virginia..... | - | 500 | - | - |
| Wisconsin..... | - | 450 | - | - |

2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|--------------------------------|------------------------|------------------------|---------------------------|---------------------------|
| Distribution Unknown | - | - | \$32,962 | \$30,000 |
| Obligations..... | - | 28,851 | 32,962 | 30,000 |
| Bal. Available, EOY | - | 2,962 | - | - |
| Total, Available..... | - | 31,814 | 32,962 | 30,000 |

CLASSIFICATION BY OBJECTS

Table RBCS-76. Classification by Objects Discretionary funding (thousands of dollars)

| Item No. | Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|-----------------|--|------------------------|------------------------|---------------------------|---------------------------|
| | Other Objects: | | | | |
| 41.0 | Grants, subsidies, and contributions | \$12,920 | \$10,016 | - | - |
| | Total, Other Objects..... | 12,920 | 10,016 | - | - |
| 99.9 | Total, new obligations | 12,920 | 10,016 | - | - |

Table RBCS-77. Classification by Objects Mandatory funding (thousands of dollars)

| Item No. | Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|-----------------|--|------------------------|------------------------|---------------------------|---------------------------|
| | Other Objects: | | | | |
| 41.0 | Grants, subsidies, and contributions | \$50,978 | \$475,982 | \$1,013,272 | \$253,051 |
| | Total, Other Objects..... | 50,978 | 475,982 | 1,013,272 | 253,051 |
| 99.9 | Total, new obligations..... | 50,978 | 475,982 | 1,013,272 | 253,051 |

ACCOUNT 8: HEALTHY FOODS FINANCING INITIATIVE

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted matter enclosed in brackets):

- 1 Healthy Food Financing Initiative
- 2
- 3 For the cost of loans and grants that is consistent with section 243 of subtitle D of title II of the Department of
- 4 Agriculture Reorganization Act of 1994 (7 U.S.C. 6953), as added by section 4206 of the Agricultural Act of
- 5 2014, for necessary expenses of the Secretary to support projects that provide access to healthy food in
- 6 underserved areas, to create and preserve quality jobs, and to revitalize low-income communities,
- 7 [~~\$5,000,000~~]\$3,000,000, to remain available until expended: *Provided*, That such costs of loans, including the
- 8 cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.

LEAD-OFF TABULAR STATEMENT

Table RBCS-78. Lead-Off Tabular Statement (In dollars)

| Item | Amount |
|-------------------------|------------------|
| Estimate, 2024 | \$3,000,000 |
| Change in Appropriation | - |
| Budget Estimate, 2025 | <u>3,000,000</u> |

PROJECT STATEMENTS

Table RBCS-79. Project Statement on Basis of Appropriations (thousands of dollars)

| Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated | Inc. or Dec. | Chg Key |
|---|----------------|----------------|-------------------|-------------------|-----------------|---------|
| Discretionary Appropriations: | | | | | | |
| Healthy Foods Financing Initiative (No-Year) .. | \$5,000 | \$3,000 | \$3,000 | \$3,000 | - | (1) |
| Total Appropriation..... | 5,000 | 3,000 | 3,000 | 3,000 | - | |
| Recoveries, Other | 1,378 | - | - | - | - | |
| Bal. Available, SOY..... | 3,622 | 2,757 | - | - | - | |
| Total Available..... | 10,000 | 5,757 | 3,000 | 3,000 | - | |
| Bal. Available, EOY | -2,757 | - | - | - | - | |
| Total Obligations..... | <u>7,243</u> | <u>5,757</u> | <u>3,000</u> | <u>3,000</u> | - | |

Table RBCS-80. Project Statement on Basis of Obligations (thousands of dollars)

| Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated | Inc. or Dec. |
|---|----------------|----------------|-------------------|-------------------|-----------------|
| Discretionary Obligations: | | | | | |
| Healthy Foods Financing Initiative (2-Year) | \$5,000 | - | - | - | - |
| Healthy Foods Financing Initiative (No-Year) .. | 2,243 | 5,757 | \$3,000 | \$3,000 | - |
| Total Obligations..... | 7,243 | 5,757 | 3,000 | 3,000 | - |
| Add back: | | | | | |
| Balances Available, EOY: | | | | | |
| Healthy Foods Financing Initiative (No-Year) .. | 2,757 | - | - | - | - |
| Total Bal. Available, EOY | 2,757 | - | - | - | - |
| Total Available..... | 10,000 | 5,757 | 3,000 | 3,000 | - |
| Less: | | | | | |
| Recoveries, Other | -1,378 | - | - | - | - |
| Bal. Available, SOY..... | -3,622 | -2,757 | - | - | - |
| Total Appropriation..... | <u>5,000</u> | <u>3,000</u> | <u>3,000</u> | <u>3,000</u> | - |

JUSTIFICATION OF CHANGES

Healthy Foods Financing Initiative

The numbers and letters of the following listing relates to values in the Change (Chg) Key column of the Project Statement:

Justification of Increases and Decreases:

1. No change for the Healthy Foods Financing Initiative (\$3,000,000 available in 2024).

The Healthy Food Financing Initiative (HFFI) provides loans, grants, and technical assistance resources to improve and support access to fresh, healthy, affordable food in urban and rural underserved communities. HFFI is using additional USDA-allocated American Rescue Plan Act resources to expand its services and reach. With an additional \$30 million in available grants, the Local and Regional Healthy Food Financing Partnerships Program – which focuses on improving access to capital and capacity building – is the first funding opportunity available under this expanded initiative.

Obligations have increased from a low of \$2 million in 2017; the agency obligated \$5.8 million in 2023. Funds are administered by the Reinvestment Fund, a national CDFI and the HFFI program manager, and the funds are targeted to severely underserved low- and moderate-income communities. These areas are located nationwide and experience compounded issues with low-incomes and low supermarket access creating food deserts in many communities. Most often, low-income communities are less attractive, under conventional financing, to retailers of healthy food. However, effective local programs have shown that well-targeted financing and technical assistance can create viable business outcomes and access to healthier foods and create new markets for farmers, and also create good paying jobs and support broader development efforts to revitalize distressed communities. Through grants and technical assistance, RD can support market planning and promotion efforts as well as infrastructure and operational improvements designed to stimulate consumer demand, enhance marketing, expand demand, and retail outlets for farm products, and increase availability of locally and regionally produced foods.

In 2022, a \$2.2 million investment was awarded to provide grants to partnerships and qualified lenders to improve access to healthy food in underserved areas. These funds are part of an overall \$5.9 million project that establishes the Capacity Building Grant Program for Partnerships to receive grants to build capacity in their service area for improving access to healthy food and that establishes the Credit Enhancement Grant Program for qualified lenders to receive grants to improve credit options for food retailers and food enterprises.

On August,1, 2023, USDA announced that the Department is expanding the HFFI program to include public-private partnerships. USDA and the Reinvestment Fund invited applications for the Local and Regional HFFI Partnerships Program from August 1 until November 3, 2023. The Reinvestment Fund held an informational webinar September 7, 2023, for those interested in the program.

The 2025 budget requests \$3 million for this program. These funds will increase the availability of affordable, healthy foods in underserved rural communities to create and preserve quality jobs and revitalize low-income communities, particularly through the development or equipping of grocery stores and other healthy food retailers.

Funding requested in 2025 will support one grant.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table RBCS-81. Healthy Foods Financing Initiative 2-Year Grants Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|-------------------------|----------------|----------------|-------------------|-------------------|
| Pennsylvania | \$5,000 | - | - | - |
| Obligations | 5,000 | - | - | - |
| Total, Available..... | 5,000 | - | - | - |

Table RBCS-82. Healthy Foods Financing Initiative No-Year Grants Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|----------------|----------------|-------------------|-------------------|
| Pennsylvania | \$2,243 | \$5,757 | - | - |
| Distribution Unknown | - | - | \$3,000 | \$3,000 |
| Obligations..... | 2,243 | 5,757 | 3,000 | 3,000 |
| Bal. Available, EOY | 2,757 | - | - | - |
| Total, Available..... | 5,000 | 5,757 | 3,000 | 3,000 |

CLASSIFICATION BY OBJECTS

Table RBCS-83 Classification by Objects (thousands of dollars)

| Item No. | Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------|---|----------------|----------------|-------------------|-------------------|
| | Other Objects: | | | | |
| 41.0 | Grants, subsidies, and contributions..... | \$7,243 | \$5,757 | \$3,000 | \$3,000 |
| 99.9 | Total, new obligations | 7,243 | 5,757 | 3,000 | 3,000 |

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2025 USDA EXPLANATORY NOTES - RURAL BUSINESS COOPERATIVE SERVICE

ACCOUNT 9: BIOREFINERY ASSISTANCE PROGRAM, RENEWABLE CHEMICAL, AND BIOBASED PRODUCT MANUFACTURING ASSISTANCE

PROJECT STATEMENTS

Table RBCS-84. Project Statement on Basis of Appropriations (thousands of dollars)

| Item | 2022 Program Level | 2022 Actual BA | 2023 Program Level | 2023 Actual BA | 2024 Program Level | 2024 Estimated BA | 2025 Program Level | 2025 Estimated BA | Program Level Inc. or Dec. | Budget Authority Inc. or Dec. |
|------------------------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|----------------------|-----------------------|----------------------|-------------------------------|-------------------------------------|
| Mandatory Appropriations: | | | | | | | | | | |
| Guaranteed Biorefinery Loans | - | - | - | - | - | - | - | - | - | - |
| Total Appropriation | - | - | - | - | - | - | - | - | - | - |
| Recoveries, Other | - | - | \$183,177 | \$60,375 | - | - | - | - | - | - |
| Rescinded Balances | - | - | - | - | -\$538,076 | -\$177,350 | - | - | \$538,076 | \$177,350 |
| Bal. Available, SOY | \$779,683 | \$256,983 | 779,683 | 256,983 | 962,859 | 317,358 | \$191,166 | \$63,008 | -771,693 | -254,350 |
| Total Available..... | 779,683 | 256,983 | 962,859 | 317,358 | 424,783 | 140,008 | 191,166 | 63,008 | -233,617 | -77,000 |
| Bal. Available, EOY | -779,683 | -256,983 | -962,859 | -317,358 | -191,166 | -63,008 | - | - | +191,166 | +63,008 |
| Total Obligations | - | - | - | - | 233,617 | 77,000 | 191,166 | 63,008 | -42,450 | -13,992 |

Table RBCS-85. Project Statement on Basis of Obligations (thousands of dollars)

| Item | 2022 Program Level | 2022 Actual BA | 2023 Program Level | 2023 Actual BA | 2024 Program Level | 2024 Estimated BA | 2025 Program Level | 2025 Estimated BA | Program Level Inc. or Dec. | Budget Authority Inc. or Dec. |
|------------------------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|----------------------|-----------------------|----------------------|-------------------------------|----------------------------------|
| Mandatory Obligations: | | | | | | | | | | |
| Guaranteed Biorefinery Loans | - | - | - | - | \$233,617 | \$77,000 | \$191,166 | \$63,008 | -\$42,450 | -\$13,992 |
| Total Obligations | - | - | - | - | 233,617 | 77,000 | 191,166 | 63,008 | -42,450 | -13,992 |
| Add back: | | | | | | | | | | |
| Balances Available, EOY: | | | | | | | | | | |
| Guaranteed Biorefinery Loans | \$779,683 | \$256,983 | \$962,859 | \$317,358 | 191,166 | 63,008 | - | - | -191,166 | -63,008 |
| Total Available..... | 779,683 | 256,983 | 962,859 | 317,358 | 424,783 | 140,008 | 191,166 | 63,008 | -233,617 | -77,000 |
| Less: | | | | | | | | | | |
| Recoveries, Other | - | - | -183,177 | -60,375 | - | - | - | - | - | - |
| Rescinded Balances | - | - | - | - | 538,076 | 177,350 | - | - | -538,076 | -177,350 |
| Bal. Available, SOY | -779,683 | -256,983 | -779,683 | -256,983 | -962,859 | -317,358 | -191,166 | -63,008 | +771,693 | +254,350 |
| Total Appropriation | - | - | - | - | - | - | - | - | - | - |

JUSTIFICATION OF CHANGES

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS

Table RBCS-86. Geographic Breakdown of Obligations (thousands of dollars)

| <u>State/Territory/Country</u> | <u>2022</u> <u>Actual</u> | <u>2023</u> <u>Actual</u> | <u>2024</u> <u>Estimated</u> | <u>2025</u> <u>Estimated</u> |
|--------------------------------|------------------------------|------------------------------|---------------------------------|---------------------------------|
| Distribution Unknown | - | - | \$233,617 | \$191,166 |
| Obligations | - | - | 233,617 | 191,166 |
| Bal. Available, EOY | \$779,683 | \$962,859 | 191,166 | - |
| Total, Available..... | <u>779,683</u> | <u>962,859</u> | <u>424,783</u> | <u>191,166</u> |

CLASSIFICATION BY OBJECTS

Table RBCS-87 Classification by Objects (thousands of dollars)

| <u>Item No.</u> | <u>Item</u> | <u>2022</u> <u>Actual</u> | <u>2023</u> <u>Actual</u> | <u>2024</u> <u>Estimated</u> | <u>2025</u> <u>Estimated</u> |
|-----------------|--|------------------------------|------------------------------|---------------------------------|---------------------------------|
| | Other Objects: | | | | |
| 41.0 | Grants, subsidies, and contributions | - | - | \$77,000 | \$63,008 |
| 99.9 | Total, new obligations | - | - | <u>77,000</u> | <u>63,008</u> |

ACCOUNT 10: ENERGY ASSISTANCE PAYMENTS

PROJECT STATEMENTS

Table RBCS-88. Project Statement on Basis of Appropriations (thousands of dollars)

| Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated | Inc. or Dec. |
|--|----------------|----------------|-------------------|-------------------|--------------|
| Mandatory Appropriations: | | | | | |
| Bioenergy for Advanced Biofuels ^{a/} | \$6,601 | \$6,601 | \$6,601 | - | -\$6,601 |
| Higher Blends Infra. Incentive Program ^{b/} | 100,000 | - | - | - | - |
| Inflation Reduction Act – HBIIP | 500,000 | - | - | - | - |
| Total Adjusted Approp..... | 606,601 | 6,601 | 6,601 | - | -6,601 |
| Add back: | | | | | |
| Transfers In and Out, Rescissions..... | -107,000 | -7,000 | -7,000 | - | +7,000 |
| Sequestration | 399 | 399 | 399 | - | -399 |
| Total Appropriation..... | 500,000 | - | - | - | - |
| Transfers In: | | | | | |
| Commodity Credit Corporation | 107,000 | 7,000 | 7,000 | - | -7,000 |
| Total Transfers In..... | 107,000 | 7,000 | 7,000 | - | -7,000 |
| Sequestration | -399 | -399 | -399 | - | +399 |
| Recoveries, Other..... | 1,658 | 2,722 | - | - | - |
| Bal. Available, SOY..... | 38,753 | 631,568 | 595,130 | \$44,731 | -\$550,399 |
| Total Available..... | 647,012 | 640,890 | 601,731 | 44,731 | -557,000 |
| Bal. Available, EOY | -631,568 | -595,130 | -44,731 | -5,169 | +39,562 |
| Total Obligations..... | 15,444 | 45,760 | 557,000 | 39,562 | -517,438 |

Note: The details associated with Supplemental appropriations provided to the Office of the Secretary, but implemented in this account, is found in the USDA Budget Summary and is not reflected above.

^{a/} Mandatory funding provided by section 9005 of the Agriculture Improvement Act of 2018, Public Law 115-334, dated December 20, 2018. The Act provides funds from the Commodity Credit Corporation of \$7,000,000 for 2019 through 2023, to remain available until expended. One year extension of funding has been provided in P.L. 118-22 “Further Continuing Appropriations and Other Extensions Act, 2024”, dated November 17, 2023.

^{b/} HBIIP is funded through the Commodity Credit Corporation Charter authority.

Table RBCS-89. Project Statement on Basis of Obligations (thousands of dollars)

| Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated | Inc. or Dec. |
|--|----------------|----------------|-------------------|-------------------|--------------|
| Mandatory Obligations: | | | | | |
| Bioenergy for Advanced Biofuels..... | \$6,584 | \$6,696 | \$7,000 | \$1,729 | -\$5,271 |
| Higher Blends Infra. Incentive Program | 8,860 | 1,731 | 100,000 | 25,166 | -74,834 |
| Subtotal Mand Obligations | 15,444 | 8,427 | 107,000 | 26,895 | -80,105 |
| Supplemental Obligations: | | | | | |
| Inflation Reduction Act – HBIIP | - | 37,333 | 450,000 | 12,667 | -437,333 |
| Subtotal Supp Obligations..... | - | 37,333 | 450,000 | 12,667 | -437,333 |
| Total Obligations..... | 15,444 | 45,760 | 557,000 | 39,562 | -517,438 |
| Add back: | | | | | |
| Balances Available, EOY: | | | | | |
| Bioenergy for Advanced Biofuels..... | 7,382 | 7,297 | 6,898 | 5,169 | -1,729 |
| Higher Blends Infra. Incentive Program | 124,185 | 125,166 | 25,166 | - | -25,166 |
| Inflation Reduction Act – HBIIP | 500,000 | 462,667 | 12,667 | - | -12,667 |
| Total Bal. Available, EOY | 631,568 | 595,130 | 44,731 | 5,169 | -39,562 |
| Total Available..... | 647,012 | 640,890 | 601,731 | 44,731 | -557,000 |
| Less: | | | | | |
| Total Transfers In..... | -107,000 | -7,000 | -7,000 | - | +7,000 |
| Sequestration | 399 | 399 | 399 | - | -399 |
| Recoveries, Other | -1,658 | -2,722 | - | - | - |
| Bal. Available, SOY..... | -38,753 | -631,568 | -595,130 | -44,731 | +550,399 |
| Total Appropriation..... | 500,000 | - | - | - | - |

Note: The details associated with Supplemental appropriations provided to the Office of the Secretary, but implemented in this account, is found in the USDA Budget Summary, and is not reflected above.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS**Table RBCS-90. Mandatory Bioenergy Program for Advanced Biofuel Payments Geographic Breakdown of Obligations (thousands of dollars)**

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|---------------------------|----------------|----------------|-------------------|-------------------|
| Alabama..... | \$50 | \$56 | - | - |
| Arizona..... | - | 17 | - | - |
| Arkansas..... | 254 | 181 | - | - |
| California..... | 47 | 164 | - | - |
| Colorado..... | 405 | 539 | - | - |
| Georgia..... | 303 | 191 | - | - |
| Hawaii..... | 25 | - | - | - |
| Illinois..... | 681 | 700 | - | - |
| Indiana..... | 308 | 279 | - | - |
| Iowa..... | 565 | 457 | - | - |
| Kansas..... | 368 | 703 | - | - |
| Kentucky..... | 169 | 224 | - | - |
| Maine..... | 103 | 85 | - | - |
| Maryland..... | 40 | 38 | - | - |
| Massachusetts..... | 286 | 142 | - | - |
| Michigan..... | 108 | 84 | - | - |
| Minnesota..... | 516 | 538 | - | - |
| Mississippi..... | 49 | 14 | - | - |
| Missouri..... | 306 | 317 | - | - |
| Nebraska..... | 371 | 235 | - | - |
| New Hampshire..... | 21 | 3 | - | - |
| North Dakota..... | 15 | 15 | - | - |
| Oklahoma..... | 214 | 167 | - | - |
| Oregon..... | 76 | 39 | - | - |
| Pennsylvania..... | 445 | 633 | - | - |
| Rhode Island..... | 10 | - | - | - |
| South Dakota..... | 251 | 154 | - | - |
| Tennessee..... | 197 | 198 | - | - |
| Texas..... | 313 | 449 | - | - |
| Vermont..... | 10 | 8 | - | - |
| Virginia..... | 2 | - | - | - |
| Washington..... | 2 | 2 | - | - |
| West Virginia..... | 45 | 40 | - | - |
| Wisconsin..... | 27 | 23 | - | - |
| Distribution Unknown..... | - | - | \$7,000 | \$1,729 |
| Obligations..... | 6,584 | 6,696 | 7,000 | 1,729 |
| Bal. Available, EOY..... | 7,382 | 7,297 | 6,898 | 5,169 |
| Total, Available..... | 13,966 | 13,993 | 13,898 | 6,898 |

Table RBCS-91. Mandatory Higher Blends Infrastructure Incentive Program Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|---------------------------|----------------|----------------|-------------------|-------------------|
| California..... | \$3,277 | \$371 | - | - |
| Georgia..... | - | 1,360 | - | - |
| Illinois..... | 2,991 | - | - | - |
| Indiana..... | 285 | - | - | - |
| Maryland..... | 1,569 | - | - | - |
| New Jersey..... | 340 | - | - | - |
| New York..... | 126 | - | - | - |
| Pennsylvania..... | 76 | - | - | - |
| South Dakota..... | 196 | - | - | - |
| Distribution Unknown..... | - | - | \$100,000 | \$25,166 |
| Obligations..... | 8,860 | 1,731 | 100,000 | 25,166 |
| Bal. Available, EOY..... | 124,185 | 125,166 | 25,166 | - |
| Total, Available..... | 133,046 | 126,897 | 125,166 | 25,166 |

Table RBCS-92. IRA Higher Blends Infrastructure Incentive Program Geographic Breakdown of Obligations (thousands of dollars)

| State/Territory/Country | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------------------|----------------|----------------|-------------------|-------------------|
| California | - | \$9,060 | - | - |
| Colorado..... | - | 400 | - | - |
| District of Columbia | - | 2,250 | - | - |
| Georgia..... | - | 63 | - | - |
| Illinois | - | 383 | - | - |
| Iowa..... | - | 4,775 | - | - |
| Minnesota..... | - | 8,679 | - | - |
| Missouri | - | 467 | - | - |
| New Hampshire | - | 1,275 | - | - |
| New York..... | - | 1,077 | - | - |
| North Dakota..... | - | 85 | - | - |
| Oklahoma..... | - | 4,944 | - | - |
| South Dakota..... | - | 62 | - | - |
| Tennessee..... | - | 482 | - | - |
| Washington | - | 3,073 | - | - |
| Wisconsin..... | - | 260 | - | - |
| Distribution Unknown | - | - | \$450,000 | \$12,667 |
| Obligations..... | - | 37,333 | 450,000 | 12,667 |
| Bal. Available, EOY | \$500,000 | 462,667 | 12,667 | - |
| Total, Available..... | 500,000 | 500,000 | 462,667 | 12,667 |

CLASSIFICATION BY OBJECTS

Table RBCS-93. Classification by Objects (thousands of dollars)

| Item No. | Item | 2022 Actual | 2023 Actual | 2024 Estimated | 2025 Estimated |
|----------------|--|----------------|----------------|-------------------|-------------------|
| Other Objects: | | | | | |
| 41.0 | Grants, subsidies, and contributions | \$15,444 | \$45,760 | \$557,000 | \$39,562 |
| 99.9 | Total, new obligations..... | 15,444 | 45,760 | 557,000 | 39,562 |

STATUS OF PROGRAMS

The Rural Business-Cooperative Service (RBCS) programs increase economic opportunity in rural America through direct loans, loan guarantees, grants, and technical assistance for development of cooperatives. Rural Development (RD) State and field office staffs work collaboratively with political and business leaders to leverage RD resources.

RBCS promotes economic development in rural communities by supporting loan guarantees to businesses through commercial lenders. Direct loan and grant programs support local and regional economic development organizations that provide guidance to established businesses or business start-ups, conduct feasibility studies, and develop business plans, technical assistance, training, and other activities leading to the development or expansion of small and emerging private businesses. Below is a summary table of RBCS 2023 program funding:

| Program | Total Obligations (in Millions) | Total Number Loans or Grants |
|---|--|-------------------------------------|
| Business and Industry (B&I) Guaranteed Loans | \$2,043.1 | 296 |
| Rural Business Development Grant Funds | 44.7 | 469 |
| Higher Blends Infrastructure Incentive Program (HBIIP) | 1.7 | 3 |
| Higher Blends Infrastructure Incentive Program (HBIIP) - IRA | 37.3 | 71 |
| Bioenergy for Advanced Biofuels | 6.7 | 338 |
| Delta Regional Authority (DRA) Grants – Appropriated Appalachian Regional Commission Grants, Delta Regional Authority Grants, Northern Border Regional Commission (NBRC) Grants | 9.0 | 5 |
| Intermediary Relending Program (IRP) Loans | 17.9 | 21 |
| Healthy Food Financing Initiative | 5.8 | 1 |
| Rural Economic Development (RED) Loan Funds | 115.5 | 80 |
| Rural Economic Development (RED) Grant Funds | 10.0 | 35 |
| Local Agriculture Market Program - Value Added Producer Grant (LAMP-VAPG) | 38.5 | 199 |
| Rural Cooperative Development Grants (RCDG) | 5.8 | 29 |
| Socially-Disadvantaged Groups Grant (SDGG) Program | 3.0 | 19 |
| Appropriate Technology Transfer to Rural America (ATTRA) | 3.5 | 1 |
| Rural Microenterprise Grant Funds | 3.7 | 64 |
| Rural Microenterprise Loan Funds | 5.8 | 12 |
| Rural Energy for America (REAP) Grant Funds | 67.0 | 163 |
| Rural Energy for America (REAP) Grant Funds - IRA | 418.8 | 2,999 |
| Rural Energy for America (REAP) Loan Funds | 221.3 | 20 |
| Rural Innovation Stronger Economy (RISE) Grant Funds | 2.0 | 3 |
| Total | 3,061.1 | 4,828 |

Business and Industry (B&I) Guaranteed Loan ProgramCurrent Activities:

The B&I Guaranteed Loan Program supports business growth in rural areas by providing funding through small or regional scale lenders to ensure rural communities have access to capital. In 2023, RD supported 296 loans for a total of \$2.04 billion. This funding is estimated to create or save 11,495 jobs. Within these totals, over \$487 million in loans were made to distressed communities and 19.2 percent of obligations were in persistent poverty areas throughout rural America.

Selected Examples of Recent Progress:

RBCS published a final rule in the Federal Register (87 FR 58019) on revising their servicing requirements for the B&I Guaranteed Program to clarify the current regulation and update certain provisions to align with the OneRD Guarantee Loan Initiative. While the document was published in September 2022, it went into effect as of October 24, 2023. The B&I Guaranteed Program was managed under 7 CFR 4287 for regular loans prior to the OneRD consolidation and for B&I Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Public Law 116-136) loans. It is anticipated that most existing lenders with guaranteed loans serviced under the old regulation

will obtain new guarantees. The Agency identified several provisions that should be aligned between the two servicing regulations to provide consistency, efficiency, and to improve the customer experience; the updates are captured in this final rule.

The state of Oklahoma received \$215.9 million in B&I Guaranteed Loans with roughly \$149.1 million across eight loans going towards Mining, Quarrying, and Oil and Gas Extraction. Of these loans, one loan will be used to purchase six, fully functioning, operational saltwater disposal facilities and 133.8 miles of pipeline from Lagoon Water Midstream. The borrower will contribute \$2.6 million as equity into the project consisting of \$2.5 million in fixed assets and \$90,000 in cash. A \$15 million loan will be used to purchase nine existing saltwater disposal facilities, water pipeline and pipeline equipment. This funding will allow for future working capital; it is expected to save seven jobs and create three employment opportunities. In Puerto Rico, the agency obligated two B&I Guaranteed loans totaling about \$48.3 million. The Dawn Hotel at Dorado, LLC received a \$25 million loan to assist with the interim construction and permanent financing of a new 173-key, seven story Holiday Inn Express and additional stand-alone commercial retail space that will complement the growing population and attractions in the municipality of Dorado, Puerto Rico. The second loan will be used to assist CCVA, Inc. a real estate holding company doing business as Centro Gran Caribe, a 392,210 square feet enclosed shopping mall located in Vega Alta, Puerto Rico. These funds will be used to provide additional financing for the shopping mall that has a combination of national and local retailers; this project will save 22 jobs. Of the \$100.9 million going to the state of Arizona for B&I Guaranteed loans, the funding is going towards, but not limited to the following industries: Accommodation and Food Services, Health Care and Social Assistance, and Retail Trade. Neon Ranch, LLC received \$22 million that will be used to construct a 505-site resort recreational vehicle (RV) park and amenities, including a clubhouse, convenience store, swimming pool, and toy storage. The borrower will rent RV spaces to travelers and longer-term winter visitors to the Sonoran Desert, a mecca for RVers. It is expected that 10 jobs will be created. An \$8.5 million investment will be used to provide permanent financing of the Windemere Hotel purchase in Sierra Vista, Arizona and the costs associated with converting it into a 146-room independent, assisted living, and memory care facility. The primary market area has an average assisted living/memory care facility occupancy rate of around 95 percent. This project will assist in creating new 86 jobs, to support this aging community.

Rural Business Development Grant (RBDG) Program

Current Activities:

RBDG provides grants to support towns, communities, State agencies, authorities, nonprofit corporations, institutions of higher education, federally recognized tribes, and rural cooperatives (if organized as a private nonprofit corporation) in rural areas. Targeted technical assistance, training, and other activities lead to the development or expansion of small and emerging private businesses with fewer than 50 employees and less than \$1 million in gross revenues. Programmatic activities are separated into enterprise (RBEG), opportunity (RBOG), and transportation type grant activities. In 2023, the RBDG program awarded 469 grants totaling \$44.7 million that will be used to benefit approximately 19,852 related rural businesses and create or save roughly 47,879 jobs. Approximately \$3.7 million was invested in Native American programs across business opportunity, business enterprise, and technical assistance grants for rural transportation.

Selected Examples of Recent Progress:

On May 24, 2023, RBCS published a proposed rule in the Federal Register (88 FR 33552) updating the RBDG program with programmatic amendments to seek to increase Tribal Government participation. The program did not adequately define and address how Tribes legally structure their businesses and related enterprises as arms or instrumentalities of Tribes. The Program did not previously identify tribally owned businesses separate from Tribal Governments. This nuance effectively prevented full access to participation for Tribes and Tribally owned businesses. Consistent input from Tribal Governments and Tribal stakeholders indicated that the RBDG Program experienced reduced participation of Tribal Governments and Tribal entities due to policies that have not fully considered or included the range of strategies that Tribal nations employ to build Tribal markets and economies through government arms and instrumentalities. The complex legal and political structure and nature of Tribal nations and Tribal entities necessitates a close relationship between both entities with ownership and control remaining with the Tribal Governments. The amendments update and codify the Agency's policy regarding Tribal nations and their Tribal owned entities.

RD invested \$500,000 in Ohio in Valley Partners to create a revolving loan fund. The entity is making the initial round of lending available to small businesses in East Palestine and the immediate surrounding area. On February 3, 2023, a train derailment in East Palestine crippled local businesses. The loans will be short term, with rates as low as 1 percent. As the initial round of funds are paid, funds will be made available to all small businesses and entrepreneurs throughout Columbiana County at more regular rates and terms, helping to encourage growth and economic development throughout rural areas of the county. This project is predicted to save or create up to 52 jobs immediately and more as the revolving loan fund continues. In North Carolina, RD invested \$300,000 in Bladen's Bloomin's Agri-Industrial, Inc. to establish a revolving loan fund. The initial loans are expected to fund a female owned high demand healthcare project in an underserved rural community and a Veteran owned business in the high demand field of aviation field with a focus on training minorities for aviation careers. An investment of \$231,949 will be used to support StartUp Nevada's proposition to introduce two entrepreneurship programs to create entrepreneurs and enhance community economic and development activities to the tribal and rural communities in Nevada. Those entities include: the Rural Roadshow (RR) and the Tribal Entrepreneurial Development Program (TED). Tribal and rural entrepreneurs often struggle with access to entrepreneurship resources and support due to vast geographic distances in Nevada isolating tribal and rural areas. The Rural Roadshow meets potential entrepreneurs and small businesses in rural locations and provides access to entrepreneurial education and resources while the Tribal Entrepreneurial Development Program connects with rural and tribal founders through a cohort style 10-week incubator. The program will support 40 entrepreneurs in rural communities through the RR and at least 20 entrepreneurs within the TED. The programs should support the formation or support of 22 companies and yield a minimum of 81 jobs, a total impact \$34.4 million in economic output over three years.

Of the \$151,000 invested in New Hampshire, the agency obligated \$20,000 in SECD funding for Wentworth Economic Development Corp to create a business and marketing plan; promote regional businesses, destinations, and events; and support area businesses through events, social media, and technical assistance. The project is expected to help five small business and create or save 33 jobs.

Higher Blends Infrastructure Incentive Program (HBIIP)

Current Activities:

The purpose of the HBIIP is to significantly increase the sales and use of higher blends of ethanol and biodiesel by expanding the infrastructure for renewable fuels derived from U.S. agricultural products. USDA designed HBIIP to increase the availability of higher blends of ethanol, such as E15 and biodiesel (B20). The program will encourage a more comprehensive approach to market higher blends by sharing the costs related to building out biofuel-related infrastructure. Awards to successful applicants will be in the form of cost-share grants not to exceed \$5 million. There is no minimum amount for these grants. This program helps American families save money at the pump while reducing carbon emissions and harmful tailpipe pollution. Higher blend biofuels also help boost the availability of skilled jobs with good wages in rural communities.

Selected Examples of Recent Progress:

In December 2022, USDA made available \$50 million in Inflation Reduction Act (IRA) funding to expand the use and availability of higher-blend biofuels through the Higher Blends Infrastructure Incentive Program (HBIIP). Secretary Vilsack announced on June 26, 2023, the remaining \$450 million in IRA funding as well as the first awardees of 59 infrastructure projects that will receive a total of \$25 million. A few of the projects announced include:

- Tidewater Terminal Company, a fuel distribution facility in Washington, received almost \$3.1 million to create infrastructure to expand the sales and use of renewable fuels. This project will consist of upgrading pipes, pumps, two 400,000-gallon biodiesel storage tanks, and to expand a truck rack for blending and distribution at one location in Washington. Facility locations impacted by this grant are in Pasco. This project projects to increase the amount of biodiesel sold by 12,114,573 gallons per year.
- A \$1.2 million investment in California will go to Satnam Petroleum Inc, the owner of 10 or fewer fueling stations; these funds will be used to create infrastructure to expand the sales and use of renewable fuels. The project will install 11 E85 dispensers, four B20 dispensers, two ethanol storage tanks, and two biodiesel storage tanks at two fueling stations located in California. Station locations impacted by this grant are in San Jose (2). The project projects an increase in the amount of biofuels sold by 237,695 gallons per year.

- An almost \$2.3 million investment going to Northern Fuel and Convenience Inc in Minnesota will be used to create infrastructure to expand the sales and use of renewable fuels. Northern Fuel and Convenience Inc is the owner of 10 or fewer fueling stations. This project will install 22 E15 dispensers, 17 B20 dispensers, 10 ethanol storage tanks, and 13 biodiesel storage tanks at 10 fueling stations located in Minnesota. Station locations impacted by this grant are Bagley, Bemidji (2), Outing, Motley, Solway, Verndale, Hibbing, Sebeka, and Waskish. This project projects to increase the amount of ethanol sold by 1,904,134 gallons per year. The purpose of this funding program is to assist owners of transportation fueling and fuel distribution facilities in activities designed to expand the sales and use of ethanol and biodiesel.

Bioenergy for Advanced Biofuels

Current Activities:

The Bioenergy for Advanced Biofuels program offers payments to eligible advanced biofuel producers for the production of fuel from the renewable biomass (excluding corn starch). The payment amount depends on the number of eligible producers, the amount of advanced biofuel produced, and the amount of funds available during the Fiscal Year. There is no minimum or maximum payment. This program helps increase American energy independence. It increases the private sector supply of renewable energy. In 2023, this program obligated \$6.7 million in funding across 31 states totaling 338 obligations to 97 entities. Obligations across five states account for just over 46 percentage of the obligations; those states are Kansas, Illinois, Pennsylvania, Colorado, and Minnesota. Both Kansas and Illinois received approximately \$700,000 each.

Delta Regional Authority (DRA), Northern Border Region Commission (NBRC) and Appalachian Regional Commission (ARC) Grants

Current Activities:

The DRA, ARC, and NBRC provide technical assistance and training along with various economic outreach activities and strategic investments in the Delta, Appalachian, and Northern Border regions of the country. In 2023, these programs obligated almost \$9 million for five projects designed to spur job creation and economic growth to these financially distressed rural communities.

Selected Examples of Recent Progress:

The NBRC received a \$3 million investment to enhance the Commission's work to catalyze regional, collaborative, and transformative community economic development approaches that alleviate economic distress. Congress has provided funds to the NBRC since 2019 for this partnership, which advances the strategic objectives of both agencies. The project will be accomplished through collaboration between a variety of stakeholders working across the awardee's service area, including targeted regions of New York, Vermont, New Hampshire, and Maine. Pending the funding announcements for 2023 projects, the NBRC issued a press release on November 16, 2022, outlining several projects receiving funding. Some of those projects are as follows:

- The North Country Workforce Partnership in Plattsburgh, NY received \$335,834. The Authentic STEM Connect US (ASTEM) is an innovative approach to career and technical training and workforce development, partnering secondary school students with regional businesses to solve real-world challenges. The program aims to partner with 80 companies, train 30 mentors, and reach 250 students in the next three years.
- In Maine, the Department of Agriculture, Conservation and Forestry received \$335,834 to construct a multiple-use bridge over the Sandy River connecting the Whistle Stop Trail to downtown Farmington, Maine. By increasing the accessibility of Farmington's downtown, the project will result in increased trail use, downtown visitation, and local spending. When completed it will be the longest pedestrian bridge and single-span snowmobile bridge in Maine.
- The Franconia Soaring Foundation, Inc. In New Hampshire was awarded \$335,834 to construct a multi-functional Training and Operations Center facility on its property comprising the south end of the

Franconia Airport. The Center will facilitate career development opportunities in aviation-related fields and provide a training and education resource for regional STEM programs.

Intermediary Relending Program (IRP)

Current Activities:

The IRP makes loans to economic development intermediaries (non-profits and public bodies) that re-lend those funds to small rural businesses and organizations (ultimate recipients) that might not otherwise be able to obtain such financing. In 2023, IRP issued 21 loans totaling almost \$17.9 million to intermediaries to establish and recapitalize revolving loan funds. The IRP financing resulted in 330 businesses being assisted, thereby creating, or saving nearly 1,223 jobs. Within these totals, 11 of the projects totaling over \$8.3 million was made available to small businesses located in rural communities with persistent poverty and other target initiative areas. These target initiative area loans created or saved 669 jobs.

Selected Examples of Recent Progress:

The \$1 million loan awarded to Rural Community Assistance Corps (RCAC) in California will be used to relend for business and community development initiatives in rural areas of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. RCAC is a nonprofit organization that provides training, technical and financial resources, and advocacy to help rural communities achieve their goals; it serves rural communities in 13 western states. These funds will help create or save 72 rural jobs and is projected to assist several rural businesses.

Of the four million in IRP loans to South Dakota, here are two examples of how entities are using each of their \$1 million loans. One loan will be used to fund a subsequent Revolving Loan Fund to Northeast South Dakota Economic Corporation (NESDEC). This project will provide additional capital for small businesses being served by NESDEC in the northeast South Dakota; it is expected to save ten jobs and create ten employment opportunities. The other loan will be used to establish a subsequent revolving loan fund to Lake Area Improvement Corporation (LAIC). This loan will help finance small business community development projects in the service area. LAIC is a community development lender that was founded in 1975. It is anticipated that this loan will create and save approximately 50 jobs and assist a number of local businesses.

Healthy Food Financing Initiative grant (HFFI)

Current Activities:

The Healthy Food Financing Initiative aims to improve access to healthy foods in underserved areas, to create and preserve quality jobs, and to revitalize low-income communities. The program aims to build a more equitable food system that supports the health and economic vibrancy of all Americans. Authorized by the 2014 Farm Bill and reauthorized by the 2018 Farm Bill, the HFFI Targeted Small Grants Program is administered by the Reinvestment Fund on behalf of USDA Rural Development. HFFI provides capacity building and financial resources to eligible healthy food retail projects to overcome the higher costs and initial barriers to entry in underserved areas.

In 2023, HFFI made an almost \$5.8 million obligation to the Reinvestment Fund, a national mission-driven financial institution that creates opportunity for underserved people and places through partnerships like National Community Development Financial Institutions (CDFIs). The Reinvestment Fund provides grant awards ranging from \$20,000 to \$200,000. Funding supports projects that are designed to improve access to fresh, healthy food through food retail. Grants are one-time investments of capital into a food retail or food enterprise projects. Grant funds can assist with a variety of project needs, including predevelopment, brick and mortar facility development, other hard capital costs, equipment needs, and one-time soft costs including training, consulting needs, marketing, or merchandising. Approximately \$300,000 is available for technical assistance. The assistance will be provided to applicants who have early-stage projects where resources would help build local capacity to develop a food retail outlet or enterprise and would clarify or advance an eligible project.

Selected examples of Recent Progress:

On August 1, 2023, the USDA announced that it is expanding the HFFI program to include public-private partnerships. USDA and Reinvestment Fund will invite applications for the Local and Regional Healthy Food Financing Partnerships Program, a HFFI Partnerships Program, from August 1 to November 3. HFFI works to improve access to healthy foods in underserved areas, create and preserve quality jobs and revitalize low-income

communities. The Reinvestment Fund held an informational webinar for interested applicants to the HFFI Partnerships Program on September 7, 2023. In 2023, Reinvestment Fund announced that HFFI Partnerships Program grants awards for capacity building activities will range from \$200,000-\$1,000,000 and grant awards for credit enhancement activities will range from \$500,000-\$3,000,000.

Rural Economic Development Loan and Grant (REDLG) Program

Current Activities:

The Rural Economic Development Loan and Grant program provides funding for rural projects through local utility organizations. USDA provides zero-interest loans to local utilities which they, in turn, pass through to local businesses (ultimate recipients) for projects that will create and retain employment in rural areas. USDA also provides grants to local utility organizations that use the funding to establish Revolving Loan Funds (RLF). Loans are made from the revolving loan funds to projects that will create or retain rural jobs. When the revolving loan fund is terminated, the grant is repaid to USDA.

In 2023, not including funding for broadband, REDLG obligated just over \$125.4 million for 115 loans and grants to organizations in rural America. Of that amount, over \$115.5 million in loans and almost \$10 million in grants went to assist 304 rural businesses and created or saved 4,108 jobs. In addition to creating and saving jobs, in 2023 REDLG funded projects in several industries, such as but not limited to: Agriculture, Forestry, Fishing, and Hunting; Manufacturing; Retail Trade; Construction; and Utilities.

Selected Examples of Recent Progress:

In Nebraska, the \$300,000 investment will be used to purchase 712 acres to expand a nature habitat via loan by the City of Gering to the Platte River Basin Environments Inc (PRBE). The 712-acres are contiguous to PRBEs existing complex and ensure the property will remain undeveloped and open to the public for hiking, bird watching, photography and educational projects. The revolving loan funds will be used by the City of Gering to assist small businesses in the area. The population of Gering is 36,970.

In Iowa, a \$300,000 grant will be used to replenish an existing revolving loan fund that is administered by Corn Belt Power Cooperative. This project will use an initial loan to enable Humboldt County Memorial Hospital in Humboldt, Iowa, expand and construct an outpatient therapy and mental health counseling clinic. The project will create 15 new jobs and promote rural economic development in this rural area. The Corn Belt Cooperative also received a \$2 million loan to fund a pass-through loan to Western Iowa Energy LLC in Wall Lake, Iowa. This project will provide new equipment to convert free fatty acids into biodiesel. Once completed, the project will promote economic development in Sac County and surrounding rural areas.

A \$2 million investment will be used to provide Singing River Electric Cooperative with a loan to assist Mississippi Export Railroad in building a 76,750 square foot shop along with 9,400 feet of track in Helena Industrial Park located in Moss Point, Mississippi. This new shop will offer heavy railcar repair services such as tank car qualifications, railcar cleaning, liner repair, sand blasting and painting. Mississippi Export will hire 24 new employees once the facility is operational which is expected to happen within one year after construction. Helena is an unincorporated area of Jackson County which has an unemployment rate that exceeds the national rate by 24 percent.

An almost \$1.3 million loan to Cherryland Electric Cooperative will be used to purchase a new building and related equipment for a wine and cider production facility in Long Lake Township. The building will provide expanded cider and winemaking capacity to support local orchards and vineyards in Northwest Michigan. This project will support 25 jobs in Grand Traverse County.

Local Agriculture Market Program-Value Added Producer Grant (LAMP-VAPG) Program

Current Activities:

The LAMP-VAPG program helps agricultural producers grow their businesses by turning raw commodities into value added products, expanding marketing opportunities, and developing new uses for existing products. As mentioned in the Notice of Funding Opportunity (NOFO) for this program in 2023, there is a cost-sharing requirement of at least \$1 for every \$1 in grant funds provided by the Agency, the matching funds plus grant funds must equal proposed total project cost. Matching funds may be in the form of cash or eligible in-kind contributions and may be used only for eligible project purposes, including any contributions exceeding the minimum amount

required. In 2023, the LAMP-VAPG Program funded 199 grants for a total of nearly \$38.5 million. These grants created or saved an estimated 683 jobs. The funding was spread across 39 states and Puerto Rico with South Carolina and Virginia receiving the most fundings with roughly \$3.6 million each.

Selected Examples of Recent Progress:

A \$250,000 investment to American Turmeric Company, Inc. will be used to infuse the entity with working capital to process the turmeric root into a line of Turmeric Skin Care Products branded d.SK Skin Care. The project is located in Boston, Thomas County, Georgia.

In Georgia, a \$250,000 investment will be used to enter new retail markets requiring a local food designation. This is a new emerging market for Southeastern Growers Association Inc. (SGA). SGA is comprised of four independent family farms that produce a variety of fresh fruits that are sold locally. Grant funds will also be used to purchase new marketing packaging material necessary for market entry. This will include website updates, digital media, and launch expenses with introducing the new products to purchase agent and buyers.

Rural Cooperative Development Grant (RCDG)

Current Activities:

RCDGs are awarded to non-profit groups and higher education institutions that use the funds to operate centers to develop or expand cooperatives and mutually owned businesses. These centers work with and support new cooperative businesses. The funding can be used to conduct feasibility studies, create, and implement business plans, offer technical assistance, establish low-interest loans, and help rural businesses develop new markets for their products and services. In 2023, grants totaling approximately \$5.8 million were made to 29 cooperative development centers. These centers assisted 24 small businesses and cooperatives, creating, and saving about than 1,033 jobs. Three of those grants totaling \$600,000 supported assistance directly to underserved areas and communities with persistent poverty in California, Kentucky, and Montana.

Selected Examples of Recent Progress:

The Northwest Cooperative Development Center will also receive a \$200,000 RCDG grant to provide technical assistance to ensure cooperatives, and those starting them, are knowledgeable about the cooperative model, make sound business decisions, and have operational and strategic support.

The UW Madison Board of Regents in Wisconsin received a \$199,985 RCDG that will be used to provide technical assistance to start-up cooperatives, as well as established cooperatives, in the areas of food systems, forestry, manufacturing, childcare, and veterinary services. The funding, combined with the Centers \$70,782 contribution, will help reach 58 groups and cooperatives.

The Northwest Agriculture Business Center in Washington received a \$200,000 RCDG grant Cooperative Development Grant to help fund technical assistance services to existing and developing cooperatives located in Grays Harbor, Island, King, Lewis, Mason, Pacific, Pierce, San Juan, Skagit, Snohomish, Thurston, and Whatcom counties. NABC is a non-profit business development producer located in Mount Vernon, WA. At least 30 small and emerging cooperatives will be assisted.

Socially-Disadvantaged Group Grant (SDGG) Program

Current Activities:

The SDGG program, also known as the Socially Disadvantaged Producer Grants, provides technical assistance grants to socially-disadvantaged groups (cooperatives, groups of cooperatives, and cooperative development centers) for the purpose of developing cooperatives. Socially-disadvantaged groups include members who have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities. In 2023, the SDGG program awarded \$3.0 million in 19 grants.

Selected Examples of Recent Progress:

This \$173,381 investment will be used to provide technical assistance to 33 of the 37 Tribes that belong to Tanana Chiefs Conference in Alaska's Interior. A housing study for elders and patients, a technical and business plan for a community solar facility, and a business plan and feasibility analysis for a remote electrical grid will help Tanana Chiefs Conference develop a strategic plan for the Yukon-Koyukuk Region.

The Cooperative Development Foundation (CDF) received an SDDG grant for \$174,946 to provide technical assistance to women owned and particularly Native American owned home care cooperatives in rural areas. The goal of the technical assistance is to help home care co-ops remain profitable, expand operations, and serve more rural residents in need, despite significant industry challenges. In addition, CDF is proposing to continue a partnership begun in 2020 with Native American agriculturalists to enhance the practice of Native-owed food production, marketing and distribution.

Appropriate Technology Transfer to Rural America (ATTRA)

Current Activities:

The ATTRA program, also called the National Sustainable Agriculture Information Service, provides sustainable agriculture information to those engaged in or serving commercial agriculture, such as farmers, ranchers, extension agents, farm organizations, farm-based businesses, and small-scale, beginning, limited-resource, and returning veteran farmers. Created in the 1985 Farm Bill, the ATTRA program is managed by the National Center for Appropriate Technology (NCAT) through a cooperative agreement with USDA/RD.

Selected Examples of Recent Progress:

In 2023, the National Center for Appropriate Technology (NCAT) based in Montana received a \$3.5 million grant to carry out the objectives of the ATTRA program. Headquartered in Butte, Montana, NCAT maintains regional offices and a staff of over 70 individuals. Many of their staff are national experts in their fields and include engineers, architects, as well as experts in areas of organic farming, small acreage production, urban agriculture production, entomology, agriculture economics, soil health, diversified crop and livestock operations, and other agricultural specialties. NCAT provides hands-on assistance to farmers, ranchers, individuals, government agencies and business owners in all 50 States. In recent years, NCAT has expanded their focus to sustainable agriculture, small-scale intensive farming, urban farming, and local foods; assistance to small farmers, beginning and new farmers, socially disadvantaged farmers, and veterans wishing to become farmers.

Rural Microentrepreneur Assistance Program (RMAP)

Current Activities:

The RMAP program supports the development and ongoing success of rural microentrepreneurs and microenterprises that consist of ten or fewer employees. Direct loans and technical assistance grants are made to select Microenterprise Development Organizations. In 2023, a total of \$5.8 million in loans was obligated to 12 RMAP applicants. The RMAP program also awarded \$3.7 million in grants to 64 RMAP awardees to support their ongoing development of successful rural microenterprises. These loans and grants created or saved an estimated 2,090 jobs and helped over 716 business and farmers.

Selected Examples of Recent Progress:

A \$500,000 loan combined with a \$100,000 grant will be used to provide culturally responsive technical assistance and micro-financing for six to ten African immigrant entrepreneurs in rural communities across Minnesota. This project will also help to provide technical assistance to help rural entrepreneurs start, stabilize, and grow businesses, and create and retain rural jobs. This investment will also grow capacity to reach and support more African immigrant entrepreneurs in areas of the state where there are few or no business development technical assistance services offered in their languages.

In Montana, a \$500,000 loan will be used to provide funding assistance to 43 potential eligible micro businesses throughout the state. The funds will be operated by Montana Community Development Corporation which has provided more than \$1.2 million in financing to 11 successful microentrepreneurs with loans up to \$50,000 to assist rural micro enterprises during the last 10 years. This project is expected to save one job and create two employment opportunities.

A corporation in Kentucky is receiving a \$500,000 loan to provide fixed-interest-rate microloans (less than \$50,000) to rural microentrepreneurs and microenterprises. The project will serve 84 counties. This project will result in saving 20-23 jobs while creating 10 new jobs.

Rural Energy for America Program (REAP)Current Activities:

In 2023, the regular REAP supported 183 obligations with \$288.3 million in total funding. Of this total, REAP obligated \$260.5 million in mandatory funding with \$203.6 million in loan guarantees and almost \$57 million in grants. Discretionary funding totaled \$17.8 million obligated for 3 loan projects. This program includes \$10 million across seven obligations for the Renewable Energy Pilot Program grants. In 2023, RD received IRA funding for REAP grants. The agency obligated \$418.8 million across 2,999 grants.

REAP mandatory funding supported 156 grants as follows:

- Regular grants: \$54.4 million supporting 97 grants
- Audit grants: \$1.0 million supporting 10 grants
- Technical Assistance: \$0.9 million supporting 9 grants
- Energy Savings and Efficiency grants less than \$20,000: \$0.7 million supporting 40 grants

The breakout of REAP IRA funding is as follows:

- Technical Assistance: \$23.3 million supporting 109 grants
- Energy Efficiency Improvement grants \$20K or less: \$6.0 million supporting 410 grants
- Energy Efficiency Improvement grants unrestricted: \$380.1 million supporting 2,480 grants

These loans and grants support projects such as anaerobic digesters, solar projects, and other renewable energy sources including ethanol and alternative fuel projects. Total jobs created or saved is estimated at 826 employees. This funding supported nearly 2,500 different projects for rural microenterprises. The 2023 REAP program estimated energy savings from energy efficiency improvement projects is 351,891,243 kilowatt hours (kWh). The estimated energy generation from renewable energy system projects is 2,493,889,799 kWh. This is a total of 2,845,781,042 kWh, or enough energy to power 262,598 homes per year.

Selected Examples of Recent Progress:

A \$25 million guaranteed loan will be used to provide two loan guarantees to West Town Bank and Trust for the construction of a utility-scale solar field to be located just outside of Monmouth, Illinois. The 47.045 megawatt (MW) solar array is projected to generate 78,442,608 kWh of energy in its first year of production. This is enough energy to power more than 7,238 homes annually. All energy generated will be sold to Amazon Energy LLC by way of an interconnection agreement to the power grid of Ameren Illinois. This project will create three jobs with an average wage rate of \$30 per hour.

Wolf Creek Dairy located in Windsor, Colorado got a guaranteed loan of \$18.3 million that will be used to build a dairy manure-to-RNG (Renewable Natural Gas) project. Biogas will be produced from dairy manure utilizing a digester. The project will generate an estimated 450-500 SCFM of raw biogas per year. This project is expected to create one employment opportunity.

In Kreamer, Pennsylvania a \$1 million grant will be used to help purchase and install a 4.28 MW solar photovoltaic (PV) system at Wood-Mode LLC. The business has provided custom cabinetry since 2019. This project annually is expected to save \$316,700 and replace 4,754,783 kWh, enough energy to power 438 homes.

In Yakima County, Washington, a \$500,000 energy efficiency improvement grant will be used to help convert hop-drying kilns to be more energy-efficient at Leo Gasseling and Sons, an agricultural producer. The project will replace inefficient diesel kilns with efficient propane kilns. The business has farmed within the Yakima Nation Tribal Reservation since 1973. This project annually will save \$298,720 and replace 910,865 kWh, enough energy to power 88 homes in a year.

In Thorndike, Waldo County Maine, a \$1 million grant award to Leonard Road Thorndike Solar LLC in REAP IRA funds will be used to install a 1.58 MW solar array. The applicant anticipates that the system will produce 1,987 megawatt hours (MWh) of energy to be sold to customers through net energy billing at \$0.18 a kWh earning \$357,660 annually. The system is expected to offset over 950,700 pounds of coal or 96,689 gallons of carbon dioxide (CO₂) from the atmosphere. The project will reduce CO₂ emissions by 859 metric tons annually.

Another example of how the REAP IRA funds were invested in rural America is a \$735,000 REAP IRA grant that will be used to establish an 863 kW DC roof-mounted solar array at 35 Industrial Way, in Rochester, New Hampshire. The veteran-owned business leases commercial space to the YMCA, schools for children with disabilities, a substance-abuse rehab facility, and commercial warehouse space to several clients. The renewable energy system will produce an estimated 1,078,000 kWh annually, accounting for 67 percent of the facility's average energy usage.

Rural Innovation Stronger Economy Program (RISE)

Current Activities:

The RISE Grant Program offers grant assistance to create and augment high-wage jobs, accelerate the formation of new businesses, support industry clusters and maximize the use of local productive assets in eligible low-income rural areas. The RISE Grant Program meets a recognized need for federal support for jobs accelerator partnerships for the promotion of private investment in regional economies. The flexible use of funds by RISE grant recipients allows a region to establish and operate innovation centers for job development and training, including using new or improved broadband service by jobs accelerators. The RISE program will improve the ability of rural communities to create high-wage jobs, accelerate the formation of rural businesses, and strengthen regional economies. Grants are awarded competitively with a minimum of \$500,000 and a maximum grant amount of \$2 million. The RISE grant must be matched with non-Federal funds of at least 20 percent for each project activity. In 2023, Rural Development obligated \$2 million supporting three RISE grants in Arizona, North Carolina, and Washington.

Selected Examples of Recent Progress:

The Public Private Partnerships Branch of RBCS's Business Development Division have a video series they last updated July 26, 2023, hosted on YouTube and linked from the RD RISE webpage. The videos offer targeted training on critical application components, with the purpose of providing consistent, on-demand guidance for completing RBCS applications.

The RBCS announced via the Federal Register (88 FR 3705) on January 20, 2023, that they were inviting applications for the RISE grant program for 2023. Selected applicants for this year will use Agency grant funds to provide financial assistance in support of innovation centers and job accelerator programs that improve the ability of distressed rural communities to create high wage jobs, accelerate the formation of new businesses, and help rural communities identify and maximize local assets.

In addition to the funding provided through the annual appropriations, RBCS is administering the following programs for the Office of the Secretary.

Food Supply Chain Guaranteed Program

Current activities:

This program is a part of USDA's Build Back Better initiative to strengthen critical supply chains and our food system. This program guarantees loans of up to \$40 million for qualified lenders to finance food systems projects, specifically for the start-up or expansion of activities in the middle of the food supply chain. The program will support new investments in infrastructure for food aggregation, processing, manufacturing, storage, transportation, wholesaling, and distribution to increase capacity and create a more resilient, diverse, and secure U.S. food supply chain. This program is funded by the American Rescue Plan Act. Funding for this program is allocated from the funding appropriated to the Office of the Secretary and an internal appropriation was provided to RD.

Examples of fund uses by food supply chain businesses include:

- Business conversion, enlargement, repair, modernization, or development
- The purchase and development of land, buildings, and associated infrastructure for commercial or industrial purposes
- Building or equipping facilities for lease to public or private enterprises engaged in commercial or industrial operations
- The purchase and installation of machinery and equipment, including manufacturing and Information Technology (IT) systems
- Working capital

This program has supported 39 loans for a total of \$539.5 million.

Selected Examples of Recent Progress:

The Food Supply Chain Guarantee program funded a \$15.7 million loan will be used to finalize the development of a commercial-scale manufacturing facility for Bonumose Inc.'s alternative food sweetener ingredients. Funds will be used for purchase and installation of manufacturing equipment, associated fees, and expenses. The planned 48,000-square-foot facility is in a larger existing building in Charlottesville, Virginia.

A \$12.5 million award will be used by a corporation to provide working capital and to purchase machinery and equipment. This investment will help R.W. Sauder Inc., Lancaster, Pennsylvania, improve its egg processing operation and resume growth following the recent significant industry-wide challenges of avian influenza, COVID-19, widely fluctuating egg prices, supply-chain disruptions, and rising feed, fuel, and labor costs. A \$9.1 million investment in Minnesota will be used to help El Rosario Inc. dba Maneas Meats (Maneas) with their expansion. Maneas was founded in 1975 and is a second-generation, family-owned meat market. The company provides wholesale, retail of raw and processed meats, and specialized delicatessen to grocery store chains, grocery stores, convenience stores, and restaurants within a 500-mile radius. The expansion includes an addition of 10,000-square feet to their 23,000 square foot meat processing facility. The addition will include dry and cold storage space, and additional loading dock space. The expansion is projected to create 17 new jobs.

Cardinal Food, a North Carolina project in the agriculture industry category for \$3 million that will be used to provide the company with working capital for recent expansion. The expansion will substantially increase the blueberry processing capacity as well as expand the operation into sweet potato processing.

Fertilizer Production Expansion Program Grant Funds

Current Activities:

The Fertilizer Product Expansion Program (FPEP) provides grants to help eligible applicants increase or otherwise expand the manufacturing and processing of fertilizer and nutrient alternatives and their availability in the United States. FPEP is authorized by the CCC Charter Act, to assist agricultural producers through loans, purchases, payments, and other operations, and makes available materials and facilities required in the production and marketing of agricultural commodities. FPEP grants are administered by RBCS. The minimum award is \$1 million, and the maximum award is \$100 million. The grant period is five years.

In 2022, USDA made \$500 million available under the program and due to strong demand for funding. In June of 2023, USDA increased the funding available for FPEP to up to \$900 million.

The Department received requests for \$3 billion in applications from more than 350 businesses for the first two rounds of the program. The agency obligated \$116 million in 33 projects across the country.

Selected Examples of Recent Progress:

A \$5 million grant will be used to assist an organic fertilizer producer in rural Boardman, Oregon. The expansion will increase availability and sustainability of organic fertilizer for pacific northwest producers. True Organic Products Inc will use funds from this grant for construction, equipment, site work, architectural, and engineering fees. The recipient of this grant will contribute \$3,333,333 towards this project.

A \$4.9 million investment will be used to purchase and construct two new fertilizer processing systems and two new anaerobic digestion systems. The new systems will expand fertilizer manufacturing capacity and increase fertilizer production output. These funds will aid in installing climate-smart technology (the anaerobic digestion system) that will reduce greenhouse gas emissions and improve air and water quality. Using hog manure, slaughterhouse waste, and food waste as input materials, the Biogas from the anaerobic process is combusted in a turbine to generate electricity, this electricity is then used to power the anaerobic digestion system. The new systems will be located in Unionville, Missouri.

This \$3.8 million grant will be used to purchase and install a 690,000 gallons per year facility in Texas using methane-arrested anaerobic digestion to convert food waste into liquid potassium fertilizer. BioXRGs process uses food wastes as fermentation substrates, which otherwise go to landfills. BioXRGs process avoids the pollution, supply chain risks, high costs, and volatility of petrochemical markets resulting in a natural product with lower and more stable production costs. BioXRG LLC is a Texas company that is independently owned and operated by an

experienced U.S. management team. The company is located in Bryan, Texas. All fertilizer and nutrient alternatives manufactured by the project will be sold through U.S. distributors to U.S. farmers. The project will provide U.S. farmers with a new, independent source and increased domestic supplies of liquid potassium fertilizer for synthetic and organic markets.

Indigenous Animal Processing Grants

Current Activities:

The Indigenous Animals Harvesting and Meat Processing Grant (IAG) Program was authorized by section 1001 of the American Rescue Plan (ARP) Act of 2021 (Public Law 117–2) and is designed to support the priorities of Tribal Nations in meeting the needs of traditional harvesting methods and indigenous animals; these priorities were articulated by the tribal nations to USDA during consultations held in 2021 and 2022. The program is administered by the RBCS, in partnership with the Agricultural Marketing Service, and in consultation with the Office of Tribal Relations. This program intends to fund projects which invest in Tribal Nations’ supply chain resiliency, indigenous animals, restoring local indigenous food systems, and indigenous processing methods, and expanding local capacity for the harvesting, processing, manufacturing, storing, transporting, wholesaling, or distribution (communal or commercial) of meat, poultry, seafood, and other animals that provide culturally appropriate food and food security to tribal communities. The primary purpose of all projects in this program must be to expand or enhance indigenous animals and meat processing capacity in Indian Country. There is no minimum funding amount and no maximum funding limit for this program and USDA can pro-rate final awards based on need. There is no cost share or matching funds requirement.

The \$48.1 million investment for this program using ARPA funds will be used to provide capital for a cooperative agreement with the Oweesta Corporation to administer the Indigenous Animals Grant (IAG) program designed to serve tribal meat and poultry processors. Oweesta will manage grant funds by focusing on selecting, disbursing, monitoring, and reporting award progress. Grant awards will support indigenous processing methods for indigenous animals as well as increase tribal supply chain resiliency and food security in Indian Country. Additionally, this program will promote competition and increase tribal food security, as well as give more and better options to producers by increasing meat and poultry processing capacity. The IAG program is part of USDAs initiative to strengthen critical supply chains and the food system.

Meat and Poultry Processing Expansion Grant Funds

Current Activities:

RD designed the Meat and Poultry Processing Expansion Program (MPPEP) to encourage competition and sustainable growth in the U.S. meat processing sector, and to help improve supply chain resiliency. The 2023 obligations include both Phase I and Phase 2 of this program. The agency made some changes moving forward with MPPEP Phase 2 to include that “Build America, Buy America Act” requirements apply. In Phase 1 the grants were for “further processing without slaughter” and Phase 2 is “further processing and slaughter”. The maximum award amount is \$10 million, or 30 percent of total project costs, whichever is less. The minimum grant is \$250,000 for projects that include both construction and equipment purchases. The minimum grant for equipment-only projects is \$5 million. USDA already has awarded more than \$200 million to independent businesses under the program. These projects have created thousands of jobs across the country. In 2023, the program obligated \$336.8 million.

Selected Examples of Recent Progress:

Riverbend Meats LLC, in Idaho Fall got a \$25 million grant that will be used to offset the cost associated in building a new state of the art, vertically integrated, environmentally friendly beef processing plant. Idaho and has been in operation for 30 years. In addition to the new facility, it also includes extensive custom equipment and the installation of nine miles of mainline gas pipe. The new facility is expected to double the plants processing capacity from 300 to 600 head of cattle per day thus increasing the price ranchers receive for their cattle and decreasing the price consumers pay for high quality, pasture raised, natural beef.

An almost \$20 million grant will go to Greater Omaha Packing, a 3rd generation, privately owned company located in Omaha, Nebraska, that procures cattle primarily from independent producers in IA and NE. Greater Omaha Packing processes 2,400 head of cattle daily for customers across the country and to 70 nations worldwide. The company is taking a phased approach to increase slaughter and processing throughput from 2,400 cattle per day to

3,100 head per day, which equates to an additional annual production of 195,000 cattle per year, involving equipment purchases, automation systems, and facility improvements. The expansion will create 275 jobs.

A corporation will receive a \$9.6 million grant to help offset the costs associated with the redevelopment and expansion of a vacant building in Cleveland Ohio. The expansion will allow International Food Solutions, Inc to expand the building into a processing plant that will provide 60 million pounds of poultry processing capacity. The project will create 227 new jobs paying an above average wage of \$22.75/hour in addition to benefits. The expansion will include cold and dry storage, and two poultry processing lines. Poultry will be supplied by Simmons Foods, Pilgrim's Pride, and Peco Foods. This project will also expand capacity by vertically integrating Ohio poultry producers to processors. International Food Solutions, Inc (IFS) is a certified Minority Business Enterprise (MBE) that produces prepared meals for over 5300 K-12 public school lunch and other institutional end users since 2008. IFS is an approved commodity processor and at least 80 percent of the company's protein business is USDA donated chicken. The majority of the public-school children IFS serves are economically disadvantaged and under free and reduced school lunches. IFS currently sells approximately 15 million pounds of poultry products annually, all of which are co-manufactured. During the pandemic, IFS experienced poultry supply delays and disruptions which frustrated fulfilling customer commitments.

Bioenergy payments for Biofuels Producers

Current Activities:

This program authorizes the Secretary of Agriculture to make payments to U.S.-based producers of advanced, cellulosic, or conventional biofuel, biomass-based diesel, or renewable fuel to offset unexpected market losses because of the COVID-19 pandemic. In 2023, this program obligated \$82.9 million across 106 obligations.

Selected Examples of Recent Progress:

There were eight obligations totaling \$11.6 million in South Dakota, these are few examples of who received this financial assistance. These RD investments will provide additional financing to help biofuel producers recover from unexpected market losses suffered as a result of COVID-19. Ring-Neck Energy & Feed, LLC is receiving financial assistance of almost \$5 million for one facility that produces ethanol. Dakota Ethanol, LLC is receiving financial assistance of about \$2.5 million for one facility that produces ethanol. Glacial Lakes Corn Processors is receiving just under \$2 million for four facilities that produce ethanol. All of these facilities mentioned are located in South Dakota.

RD obligated \$11.6 million in the state of Iowa across 12 obligations. Just as with the funding in South Dakota, the investment will be used to provide additional financing to biofuel producers to recover from unexpected market losses suffered as a result of COVID-19. Some examples of who received the funding are as follows. Big River Resources is received approximately \$2.3 million in financial assistance for four facilities that produce ethanol; these facilities are located in Iowa, Illinois and Wisconsin. Little Sioux Corn Processors, LLC received \$757,102 for one facility in Iowa that produces ethanol. Grain Processing Corporation received \$562,470 for two facilities that produce ethanol; the facilities are located in Iowa and Indiana.

Meat and Poultry Intermediary Relending Program (MPILP)

Current Activities:

RD provided grants of up to \$15 million to nonprofit lenders, and about \$200 million were awarded in 26 grants during 2023, including private nonprofits, cooperatives, public agencies and tribal entities. These intermediaries will use this funding to establish a revolving loan fund (RLF) to finance a variety of activities related to meat and poultry processing. For example, businesses may use the loans to acquire land, build or expand facilities and modernize equipment. The objective of the MPILP is to strengthen the financing capacity for independent meat processors, and to create a more resilient, diverse, and secure U.S. food supply chain.

When loans are repaid, intermediaries can make additional loans to support activities throughout the middle of the food supply chain. This funding can help businesses aggregate, process, manufacture, store, transport, wholesale and distribute food.

The design of MPILP was informed by the other active programs that are part of the Biden Administration's Action Plan to Build a Fairer, More Competitive, and More Resilient Meat and Poultry Supply Chain. Funding for this

program is allocated from the funding appropriated to the Office of the Secretary for pandemic response and an internal appropriation was provided to RD.

Selected Examples of Recent Progress:

In the state of Indiana, a \$15 million award will be used to capitalize a revolving loan fund to assist small and very small Indiana meat packers and processors with access to affordable capital for meat expansion projects. Meat expansion projects will add local job opportunities and tax revenues for local communities and the State of Indiana. The Indiana State Department of Agriculture is partnering with Indiana Finance Authority to establish the loan fund.

In Alabama, a \$15 million investment will be used to assist the Alabama Agricultural Development Authority create a Meat and Poultry Lending Program. The funds will initially help nine established slaughter and processing facilities as well as three new facilities and one tribal entity with plans to build a new facility. The funds will assist 10 counties across the state of Alabama: Madison, Blount, Dallas, Lowndes, Marshall, Mobile, Covington, Cullman, DeKalb, and Lauderdale Counties. This project will create a minimum of 145 jobs.

A \$10 million grant will be used to capitalize a revolving loan fund which will finance start-up, expansion, and ongoing operations of meat processors throughout Kentucky. With additional financing options the revolving loan fund will help increase the processing capacity of Kentucky’s meat and poultry industry making it more resilient, diverse, and secure. The new fund proposes to create 60 new jobs.

A \$7.5 million investment will be used to capitalize a revolving loan fund to be administered by CSRA Business Lending through its CSRA Rural Lending Authority Inc. The grant will establish the "Georgia Meat and Poultry Revolving Loan Fund" to facilitate financing for the start-up, expansion, and operation of entities engaged primary in slaughter or further processing of meat and poultry. This fund will help facilitate access to affordable capital to address the ongoing need for meat and poultry processing enterprises in Georgias rural and urban communities. CSRA has estimated that at least 26 jobs will be created. This is CSRAs second MPILP award.

| Program | Total Obligations (in Millions) | Total Number Loans or Grants |
|--|--|---|
| Food Supply Chain Guaranteed Loans | \$539.5 | 39 |
| Fertilizer Production Expansion Program Grant Funds | 116.0 | 33 |
| Indigenous Animals Processing Grant Funds | 48.1 | 1 |
| Meat and Poultry Processing Expansion Grant Funds | 336.8 | 38 |
| Emergency Grant Relief for Biofuel Producers Program COVID | 82.9 | 106 |
| Meat and Poultry Intermediary Relending Program | 200.0 | 26 |
| Total | 1,323.3 | 243 |