



United States  
Department of  
Agriculture

## Rural Development



Presented by Gary Pereira

# Access To Capital – Niagara Falls

*USDA Business Programs*

*June 27, 2016*

# Rural Development – Business Programs

## Business & Industry Loan Guarantee Program (B&I)

- No small business limit

## Rural Energy for America Program (REAP)

- Small businesses must meet SBA Size Standards
- Points for businesses that are 33% and 66% of their size standard

## Value Added Producer Grant Program (VAPG)

- Priority points for Small to Medium Size Family Farms

## Rural Business Development Grants (RBDG)

- Project must benefit small and emerging private businesses

# Business & Industry Loan Guarantee Program

- Bolsters the existing private credit structure through the guaranteeing of loans for rural businesses, allowing private lenders to extend more credit than they would typically be able to.
- Eligible Loan Purposes
  - Business conversion, enlargement, repair, modernization, or development
  - Purchase and development of land, easements, rights-of-way, buildings, or facilities
  - Purchase of equipment, leasehold improvements, machinery, supplies, or inventory
  - Debt refinancing
  - Business and industrial acquisitions
- Maximum Loan Guarantee Amounts
  - 80% for loans of \$5 million or less
  - 70% for loans between \$5 and \$10 million
  - 60% for loans exceeding \$10 million, up to \$25 million maximum

# Rural Energy for America Program

- Grants and loan guarantees for renewable energy installations, energy efficiency improvements to existing facilities or processes
- Loan guarantees: up to 75% total project cost, capped at \$25 million
- Grant: up to 25% of total project cost
  - Minimum \$2,500; Maximum \$500,000 for RE project
  - Minimum \$1,500; Maximum \$250,000 for EE project
- Eligible applicants include:
  - Agricultural Producers
  - Rural Small Businesses

# Value Added Producer Grant Program

- Provides funds for economic planning activities or eligible working capital expenses to enable viable Agricultural Producers to develop businesses that produce and market Value-Added Agricultural Products and to create marketing opportunities for such businesses.
- FY2016 Available Funding: \$44 million
- Application Deadline - July 1, 2016
- Maximum Award Amounts
  - \$75,000 Planning
  - \$250,000 Working Capital
- 1-to-1 match (50 percent of total project costs) cash or eligible in-kind contributions to be used only for eligible project purposes.
- Up to 36 months, depending on project complexity.

# Rural Business Enterprise Grant

- Grants to support the development of small private businesses in rural areas
- Applicants can be public bodies or private non-profit corporations
- No size limit, however, highest priority is for applications of less than \$100k
- New York State has historically been allocated ~\$500 - 800k each year
- Grant funds can be used for:
  - Constructing or converting buildings; acquisition of machinery, equipment, utilities, pollution control and abatement facilities, etc.
  - Reasonable fees and charges for professional services necessary for the planning and development of the project
  - Technical assistance for private business enterprises
  - Establish a revolving loan fund



United States  
Department of  
Agriculture

# Rural Development



Gary Pereira  
Rural Development  
Rural Business-Cooperative Service  
[gary.Pereira@ny.usda.gov](mailto:gary.Pereira@ny.usda.gov)  
Office: 315.736.3316 x129  
[www.rd.usda.gov](http://www.rd.usda.gov)

*USDA Rural Development is committed to the future of rural communities.*