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Grants Support Rural Business Development

By Terry Brunner, State Director, U.S. Department of Agriculture Rural Development

The U.S. Department of Agriculture Rural Development agency is encouraging nonprofit organizations in rural communities to apply for a Rural Business Enterprise Grant to help them finance projects designed to develop small and emerging private businesses. State and local governments, Indian tribes, nonprofits and public and private nonprofit higher education institutions in communities with 50,000 or fewer residents are eligible to apply.



During the last fiscal year, the program provided \$283,000 to six New Mexico recipients. It helped the Southwest Regional Housing and Community Development Corporation establish a revolving loan fund to benefit micro businesses in four New Mexico counties. And it awarded \$50,000 to the Ramah Navajo School Board Inc. to pay for a preliminary architectural feasibility report and schematic design for Cedar Bluff Travel Center and the Cedar Bluff Restaurant and Business Complex in Ramah, New Mexico.

The RBEG grant program is one of the most flexible economic development opportunities offered by USDA Rural Development to create jobs. Grants have been used to fund business incubators, feasibility studies, business plans, and it has financed technical assistance programs for business development.

Grant funds can be spent on the development of any private business that employs 50 or fewer new employees and has less than \$1 million in projected gross revenues. The law prohibits private businesses from receiving direct grants, but money can go to a nonprofit or governmental agency that sets up a revolving loan fund to lend money to a private business. There is no maximum level of grant funding, but requests for \$50,000 or less get top priority.

The program also favors projects that support specific goals of the Rural Development agency and its parent department. These projects promote renewable energy, local food systems and value-added agriculture, rural cooperatives, businesses owned by minorities or women and businesses in counties where poverty is persistent: Catron, Cibola, Dona Ana, Guadalupe, Luna, McKinley, Mora, Rio Arriba, Roosevelt, San Juan, San Miguel, Socorro and Taos counties.

Applications are due in the state USDA Rural Development office by 4:30 p.m. April 12. This is not a postmark date.

The agency hosts application workshops and webinars. One took place on March 6 in the first floor conference room at 6200 Jefferson St. N.E. in Albuquerque. To inquire about future events, contact Clinton A. Kaasa, state loan specialist, at (505) 761-4957 or Clinton.Kaasa@nm.usda.gov.

USDA Rural Development's mission is to increase economic opportunity and improve the quality of life for rural residents. It fosters growth in homeownership, finances and business development and supports the creation of critical community and technology infrastructure.

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

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