

RURAL COMMUNITY DEVELOPMENT NEWSLETTER

HALE COUNTY

STRIKEFORCE FOR RURAL GROWTH AND OPPORTUNITY

TEXAS A&M
AGRI LIFE
EXTENSION

May, 2014

Volume 2, Issue 2

- ◆ Rural America faces a unique set of challenges when it comes to combating poverty in our towns and communities. Unfortunately, 85 percent of America's persistent poverty counties are in rural America-and we can't allow these areas to be left behind.
- ◆ That is why USDA established its StrikeForce for Rural Growth and Opportunity initiative in 2010.
- ◆ StrikeForce aims to increase investment in rural communities through intensive outreach and stronger partnership with community leaders, business, foundations and other groups working to combat poverty in rural America.
- ◆ Through StrikeForce, USDA partners with rural communities and regions on locally-supported projects. USDA takes steps, in partnership with the community, to provide technical assistance and explanation as needed to ensure that communities can fully access the support available to them through USDA programs.
- ◆ Thus far, USDA has partnered with more than 400 community organizations, businesses, foundations, universities and other groups to support 80,300 projects and ushered more than \$9.7 billion in investments into rural America, including:

The Farm Service Agency saw a 14 percent increase in the total direct farm loan applications receive in StrikeForce areas since the beginning of the initiative.

In fiscal year (FY) 2014, the Farm Service Agency provided nearly \$9.3 million to fund microloans in StrikeForce areas. Approximately 84 percent of the loans were provided to socially disadvantaged and beginning farmers.

Last year, the number of landowners applying for Natural Resources Conservation Service programs in StrikeForce areas increased by 82 % over the previous year.

In FY 2013, the Rural Housing Community Facilities Program obligated a total of \$68 million to fund hospitals, libraries and other projects in StrikeForce areas — a 4.5 percent increase over 2012.

Between 2012 and 2013, the Food and Nutrition Service doubled the redemption of SNAP benefits at farmers markets from \$2 million to over \$4 million in Strike Force states —a more than 100 percent increase.

In 2013, the Food and Nutrition Service increased the number of children in Strike Force states receiving free or reduced price school breakfasts by 7.4 percent.

StrikeForce now operates in more than 700 rural counties, parishes, boroughs, tribal reservations, and Colonia's in twenty states including Arkansas, Georgia and Mississippi, added in 2010: Colorado, New Mexico, North Carolina, North Dakota, South Carolina, South Dakota, Texas, Utah and Virginia, added in 2013: and Kentucky, Louisiana, Tennessee and West Virginia, added in January 2014.

As StrikeForce expands in 2014 and beyond, USDA foresees many new partnerships ahead. More information and contact information for state StrikeForce coordinators is available at: www.usda.gov/strikeforce

StrikeForce for Rural Growth and Opportunity

Texas

Rural Americans face many unique challenges every day and the U.S. Department of Agriculture (USDA) provides assistance to help rural communities prosper. Unfortunately, 85% of America's persistent poverty counties are in rural America – and we can't allow these areas to be left behind.

That is why in 2010, Agriculture Secretary Vilsack launched the StrikeForce for Rural Growth and Opportunity (StrikeForce) - a coordinated effort to increase economic opportunities and address the needs of rural communities suffering from persistent poverty. In collaboration with over 400 partners, including other federal agencies, community based organizations, state based agencies and local partners, USDA is providing targeted technical assistance and other support to leverage results.

Since then, StrikeForce has spread to over 700 counties across twenty states and is showing significant results. Since the inception of StrikeForce, USDA has invested more than \$9.7 billion in target areas to support 80,300 projects.

Highlights

Since the inception of StrikeForce in Texas, outreach efforts have focused on reaching *colonia* (unincorporated towns) residents and nontraditional customers by working with numerous community based organizations and the University of Texas Pan American to host outreach events. Based on the programs available, outreach efforts were increased to socially disadvantaged and limited resource farmers and ranchers, women landowners and organic farmers.

Recognizing that the majority of *colonia* residents are Hispanic— and that Texas has more than 8% of all the Hispanic farmers nationwide— a "Starter Kit" was created in both Spanish and English that included four fact sheets promoting the financial and technical assistance offered by the Natural Resources Conservation Service. These outreach events and Spanish publications have helped to reach a wider audience. A position also was created and filled with a Spanish-speaking individual to assist in and around the StrikeForce counties in recognizing successful socially disadvantaged producers who can serve as mentors to others.

Because *colonia* residents' lack some of the most basic necessities like water and sewer, funding through programs such as the Environmental Quality Incentives Program has helped increase the profitability for socially disadvantaged and limited resource producers, and women landowners.

Cooperative Services Programs—Rural Development (RD)

(RD) Intermediary Relending Program (IRP) lends funds (at 1% interest) to intermediaries, which in turn, provide low interest loans to ultimate recipients. Eligible intermediaries include public bodies, nonprofit corporations, credit unions, Indian tribes and cooperatives. Instruction 4274-D

(RD) Rural Microentrepreneur Assistance Program (RMAP) supports the development and ongoing success of rural micro entrepreneurs and microenterprises. Direct loans and grants will be available to select microenterprise development organizations (MDO's). The selected MDO's will use the funds to (1) provide microloans to rural microenterprises and microentrepreneurs; (2) Provide business based training and technical assistance to rural microborrowers and potential microborrowers; and (3) Perform other such activities as deemed appropriate by the Secretary to ensure the development and ongoing success of rural microenterprises. Instruction 4280-D

(RD) Rural Business Enterprise Grants (RBEG) help public bodies, non-profit corporations, and Federally recognized Indian tribes finance and facilitate development of small and emerging private businesses. Eligible projects may include acquisition and development of land, extension of utilities, and construction of buildings, plants, access roads and parking areas. Funds may also be used for equipment, loans for working capital or start-up operating costs, refinancing (under certain conditions), and fees for professional services. In addition, grant funds may be used to provide technical assistance and related training, financial assistance to third parties (revolving loan funds), and for rural distance learning programs that enhance marketable job skills. Instruction 1942-G

(RD) Rural Economic Development Loans and Grants (REDLG) are available to eligible electric or telecommunications organizations. Funds are to assist in economic development, to create job opportunities and to help retain existing employment. Loans at zero-interest are made primarily to finance business start-up ventures and business expansion projects. Grants are made to these telephone and electric utilities to establish revolving loan programs operated at the local level by the utility. The revolving loan program aids rural development with needed capital (a) to non-profit entities and municipal organizations to finance community facilities which promote job creation, (b) for facilities which extend or improve medical care, and (c) for facilities which promote education and training to enhance marketable job skills. Instruction 4280-A

(RD) Rural Business Opportunity Grants (RBOG) provides funds for technical assistance, training and planning to improve economic conditions. Non-profit corporations, public bodies, Indian tribes and cooperatives are eligible. Instruction 4284-G

(RD) Cooperative Services are for user-owned cooperatives process and market products, purchase production supplies or consumer goods, build and operate rural utilities and provide other needed services. By working together in cooperatives, residents are often able to reduce costs, obtain services that might otherwise be unavailable and achieve greater returns for their products. The program helps residents form new cooperative businesses and improve the operations of existing cooperatives. Instruction 4284

(RD) Rural Cooperative Development Grant Program is for establishing and operating centers to improve the economy. Their purpose is to promote or enhance cooperatives. Non-profit institutions, including institutions of higher learning, are eligible applicants. Applications are solicited annually and scored according to defined selection criteria, including the proven ability to foster economic growth, to provide technical assistance, and to provide cooperative development to communities seriously impacted by economic downturns. Instruction 4284-F

(RD) Value-Added Producer Grants (VAPG) helps producers earn more by processing and/or marketing the products they produce. To qualify as a “value added” product, the original product must be changed in some way, grown in a way that enhances its value or be locally grown and marketed. The applicant must be a producer or a producer owned and controlled business entity. Grant funds can be used for planning (feasibility studies, business plan) or for working capital (labor, supplies, utilities, delivery and marketing). Instruction 4284-J

(RD) Rural Energy for America Program (REAP) can be used to pay up to 25% of eligible costs for energy efficiency improvements i.e. insulation or new equipment or to produce a renewable energy product i.e. ethanol, biodiesel, or solar. Grant and loan funding is available. Instruction 4280-B



Community Programs—Rural Development (RD)

(RD) Water, Wastewater and Solid Waste Systems is a loan and grant program that provides funds for small municipal and rural water, wastewater, and solid waste systems to public bodies and non-profit corporations in areas not larger than 10,000 population. To qualify, applicants must be unable to obtain the financing from other sources and/or their own resources at rates and terms they can afford. Grants are used to supplement direct loans for the purpose of reducing user rates to a reasonable level when compared to comparable systems. Grant funds are available to rural communities have a very low Median Household Income (M.H.I.), normally classified as being in a persistent poverty area (county). Instruction 1780

(RD) Community Facility Programs are available to public bodies and non-profit corporations in areas not larger than 20,000 in population for essential community facilities, including medical facilities, police and fire stations, schools and child care centers. To qualify, applicants must be unable to obtain the financing from other sources and/or their own resources at rates and terms they can afford. Grant funds are available on a very limited basis. Projects that will receive the highest priority for grant assistance are those that serve small communities with a population of 5,000 or less. Instruction 1942-A and 3575-A (Guaranteed Loan Program.)

(RD) Technical Assistance and Training Grant (TAT)/Solid Waste Management Grant (SWM) Programs are available to identify and evaluate solutions to water and waste disposal problems in rural areas. SWM grants are available to reduce or eliminate pollution of water resources and for improving the planning and management of solid waste sites. Eligible entities are private non-profit organizations that have been granted tax exempt status by the Internal Revenue Service. Instruction 1775.

(RD) Rural Community Development Initiative Grant (RCDI) is available to qualified private and public intermediary organizations proposing to carry out a program of technical assistance. Funds will be used solely to develop the ability of private, nonprofit, community-based housing and community development organizations and low-income rural communities to undertake projects to improve housing, community facilities, community and economic development projects in rural areas.



**Solid Waste
Management**

May SET Meeting at the Ollie Liner Center in Plainview



Rural Microenterprise Development

Entrepreneurship has been lifted up as an economic development model that will better serve rural people and rural places. For example, the Federal Reserve Bank of Kansas City states that, "Rural policymakers, who once followed traditional strategies of recruiting manufacturers that export low-value products, have realized that entrepreneurs can generate new economic value for their communities. Entrepreneurs add jobs, raise incomes, create wealth, improve the quality of life of citizens and help rural communities operate in the global economy." Federal rural policy must begin to recognize the importance of entrepreneurship as a rural development strategy and provide the resources necessary for rural people and rural communities to leverage the spirit, creativity and opportunities entrepreneurship creates.

Asset- and wealth-building strategies are equally important. Greater income alone cannot lead to economic well-being for individuals and families; asset- and wealth-building through home ownership, business ownership or enhanced education lead to important long-term psychological and social effects that cannot be achieved by simply increasing income. While income is an important factor, income can be achieved nearly anywhere in varying degrees. Assets like businesses a bond one to a place and help to build sustainable communities. A commitment to rural asset- and wealth-building strategies like microenterprise development can lead to a stronger individuals, families and communities.

Agriculturally-based entrepreneurship and innovation must also continue to play a vital role in rural development policy and can be easily linked to microenterprise development. Recent efforts on "regional flavor" and agri-tourism demonstrate the connection in rural areas. Agriculturally-based entrepreneurship can contribute to the creation of jobs and businesses in rural communities and to the alleviation of poverty in the same communities. Programs that promote a new generation of farmers and ranchers and which provide incentives for entry into agriculture also benefit the development of rural communities and their institutions. Beginning farmer and rancher programs also provide opportunities for the advancement of agriculturally-based enterprises among a new generation of rural entrepreneurs.

Many rural communities have self-employment and small business ownership rates many times greater than urban areas. Small businesses are also the job creators in much of rural America. In the Great Plains region, for example, nearly 70 percent of recent job growth came from non-farm proprietorships. To allow for continued creation and expansion of rural businesses and employment opportunities resources to rural small business development must be enhanced.



Community Development

Communities that invest in themselves can better keep and attract the people who energize communities and create new businesses.

Throughout America, many rural communities are losing people, businesses, jobs, and vibrancy. It's time for a rural recovery.

Building Blocks for Rural Recovery

Rural residents want stable communities, family farms, small businesses, and local schools. Rural areas have the building blocks of their own recovery:

- **Community infrastructures are intact** - rural communities have existing schools, churches, town governments, housing, and water/sanitary systems.
- **Rural areas are full of entrepreneurs** - there are twice as many sole proprietorships in the plains rural counties compared to urban counties, and 70% of net job growth in these counties in the past has been in non-farm self-employment.
- **Farms generate commerce** - a single-family farm contributes \$720,000 to the local economy, or the equivalent of eight \$40,000 "town jobs". On average, 7 farms support 1 town business.

Rural communities can build on these assets to strengthen themselves in two ways:

1. Feed the entrepreneurial spirit. We can recognize that rural people are willing and able to make their own jobs when the roadblocks are removed and the resources are available.
2. Reinvigorate the agricultural sector. We can reverse the trend of declining farm share of the food dollar by finding ways for farmers and ranchers to reduce their input costs and to take back more of the processing and marketing share.



SET Meeting—June 17, 2014

Friends Unity Center

Muncy, TX—Floyd County

9:00 a.m. to 1:00 p.m.



Our focus with this newsletter is to provide an inter-communication platform in Hale County to offer educational training opportunities and education Information on rural development issues and projects affecting our community.

Gary Cross, CEA-AG/NR
225 Broadway, Suite 6
Plainview, TX 79072
Tel. 806.291.5267
Fax: 806.291.5266
gary.cross@ag.tamu.edu
<http://hale.agrilife.org>

Educational programs of the Texas A&M AgriLife Extension Service are open to all people without regard to race, color, religion, sex, national origin, age, disability, genetic information or veteran status.

The Texas A&M University System, U.S. Department of Agriculture, and the County Commissioners Courts of Texas Cooperating