



# MISSOURI Rural Development



## 2002 Annual Report



**Making A Difference!**

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## Message from the Secretary of Agriculture



**Ann M. Veneman**  
**Secretary of Agriculture**

This past year the Bush Administration continued a strong commitment to expanding jobs and bringing renewed economic opportunities to rural America through strong leadership and strengthened programs.

One of the President's top priorities is to create new jobs and help spark economic growth. The tax relief package that the President signed into law in 2001 continues to help families throughout America and USDA's Rural Development programs are also creating new opportunities. In 2002, for example, economic grants and loans provided by USDA helped create or protect more than 150,000 rural jobs. As well, Rural Development programs provided more than \$12 billion in economic infrastructure grants and loans, helping improve education, healthcare, telecommunications, water treatment facilities, fire protection efforts, and other community centers.

However, USDA's commitment to improving rural America didn't stop there. Employees worked with local communities to provide homeownership financing for more than 42,000 families. These efforts are helping move closer to reaching the President's goal of increasing minority homeownership by fifty percent (50%) in five (5) years.

The Farm Security and Rural Investment Act of 2002 signed by the President last May provides new resources and programs aimed at making continued progress in rural America. This includes new grant programs to assist in the development of renewable energy sources; funding to expand the availability of information technologies; and financing for community water and wastewater improvements.

As we embark upon a new year, we have a strong agenda and many opportunities to strengthen America's rural communities. The Administration will continue to build upon the principles outlined in our policy publication: *Food and Agricultural Policy: Taking Stock for the New Century*. Our team at USDA will continue working with all interested parties and build new coalitions to help families, create jobs and invest in America's rural sectors.

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## Message from the Under Secretary



**Thomas C. Dorr**  
**Under Secretary for**  
**Rural Development**

A strong and vibrant economy in rural America serves as the cornerstone of President Bush's economic agenda. USDA Rural Development is working hard to expand economic opportunities and improve the quality of life for all of the 59 million Americans living in rural communities. Through the efficient and effective delivery of Rural Development initiatives, new jobs have been created, homeownership has increased and families and businesses have been strengthened. New investments and entrepreneurial spirit will continue to grow, bringing increased opportunity to rural areas.

I know and understand that rural Americans are resilient and share a pioneering spirit that will once again forge new frontiers in the future. In this same spirit, USDA Rural Development's challenge is to look beyond today and to envision a better way to work with America's rural communities to improve existing partnerships, and forge new ones.

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In looking back over the last year, we have begun to build an economic foundation, shaped like what President Bush advocates. I am proud of the aggressive efforts by USDA Rural Development employees to quickly turn many of the 2002 Farm Bill provisions into new economic hope for America's farmers, ranchers and rural families. These efforts ensured the delivery of \$703 million to finance 377 communities water and wastewater infrastructure projects. Additionally, \$37 million helped support the development of 231 agricultural value-added ventures that will bring new opportunities for increased revenues to our American farmers and ranchers. In total, over \$12 billion was invested through USDA Rural Development programs in rural America in Fiscal Year 2002.

From fire hydrants to fiber optic cable--from sewers to symphonies--USDA Rural Development financial and technical assistance is making a positive difference. In Fiscal Year 2002 alone--42,000 rural residents became first time homeowners, nearly 7,000 homeowners received loan and grant funding to make needed repairs and improvements, and 1,400 loans and grants were provided to assist communities finance essential community facilities. Electricity, telephone, water and wastewater infrastructure funding totaled over \$6.8 billion. Distance learning and telemedicine funding helped communities in 37 states gain access to modern technologies. Over 1,100 rural areas have clean drinking water and sanitary waste systems.

I am proud of what we have been able to accomplish. However, to meet ongoing and future challenges, USDA Rural Development will focus in 2003 on four critical areas of economic opportunity:

*Housing* -- Rural Development has created a Five Star commitment to improving single-family housing lending to rural minority families as part of the president's minority homeownership initiative.

*Broadband* -- Rural Development will implement approximately \$1 billion in Broadband programs, including a one-time "Community Connect" grant program to help small communities obtain access and training related to broadband services.

*Bio-Mass* -- Rural Development will assist in the development of alternative energy combustibles to replace petroleum-based products through value-added grants and business and industry loan guarantees.

*Equity Capital* -- The Farm Bill provides \$44 million in operational assistance grants and \$280 million in debenture guarantees for the Rural Business Investment Program (RBIP). THE RBIP will increase the amount of capital available for investment in rural businesses and will provide technical assistance to these businesses.

Again, we have accomplished much in fiscal year 2002. I commit USDA Rural Development to administer all our programs and policies fairly, equitable, and honorably. It is the right thing to do, it is what I believe, and I will tolerate nothing less. Through our collective hard work we will continue to increase the economic opportunities in rural communities and improve the quality of life for all rural Americans.

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*To file a complaint, write: USDA, Director of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue SW, Washington, D.C. 20250-9410 or call 202-720-5964 (voice and TDD).*

*USDA is an equal opportunity provider and employer.*

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## Message from the State Director



**Gregory C. Branum**  
**State Director**

throughout rural Missouri.

USDA Rural Development in Missouri is pleased to provide our Annual Report for Fiscal Year 2002 .

This has been my second year serving as the State Director for Rural Development in Missouri. I have many things for which to be thankful, including a tremendously dedicated staff, an understanding wife, and outstanding support from the Missouri Congressional delegation. Because of these things I continue to enjoy immense pride in Missouri Rural Development's success.

Our employees are committed to serving the rural residents of Missouri. We are meeting the challenges by using a more strategic approach than in the past. Our statewide strategic plan recognizes the need to make the best and most efficient use of our skilled and dedicated staff. Our efforts are focused on investing limited resources with those of other organizations, both public and private. We believe that by working with other organizations and community leaders, and by being a catalyst for change, we can contribute to a more promising future for people

We are working extra hard forging more partnerships and leveraging federal funds to the maximum to help as many individuals and communities as we possibly can. In addition, our mission allows Rural Development to be the catalyst to help communities to assess needs, analyze resources and work toward solutions. In these cases we bring our expertise in planning, financial management and technical assistance to the table to partner with others to help rural America.

We look forward to Missouri's future and continuing to provide the tools needed to help improve the quality of life in rural Missouri.

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### **ABOUT OUR PROGRAMS:**

Three separate agencies - the Rural Housing Service, the Rural Utilities Service, and the Rural Business and Cooperative Service - make up the USDA Rural Development mission area. Our programs consist of a variety of loan, loan guarantee and grant programs, plus technical assistance in the areas of business and industry, cooperative development, rural housing, community facilities, water and waste disposal, electrification and telecommunications, including distance learning and telemedicine.

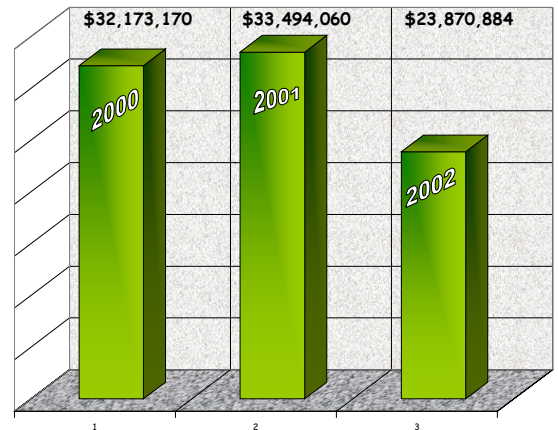
### **ABOUT OUR STAFF:**

We have dedicated employees fulfilling the Rural Development mission area for Missouri. Our programs are delivered through 32 full-time local USDA Service Centers and 7 area offices. In addition, we provide general information and are available to meet with applicants at any of the other 67 co-located USDA Service Centers across the state.

# OUR SUCCESS - YESTERDAY AND TODAY:

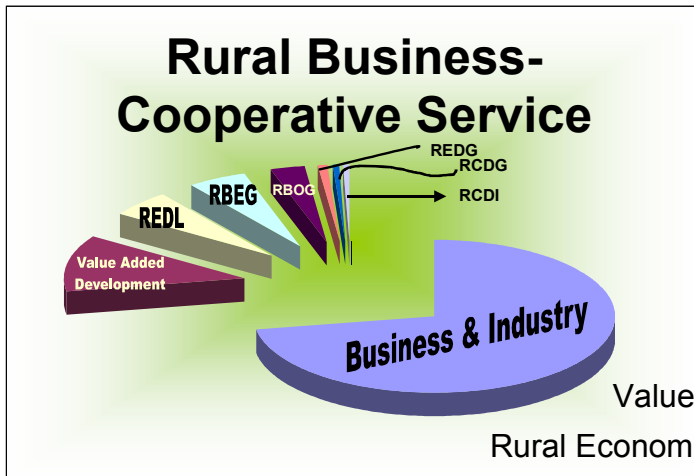
## RURAL BUSINESS-COOPERATIVE SERVICE (RBS)

These programs delivered a total of \$23.8 Million to rural Missouri. Funds were used to finance retail businesses (miscellaneous retail shops, grain elevator cooperative); service businesses (mobile home park and a meat processing facility); factory/manufacturing businesses (hardwood flooring, fertilizer manufacturing, pet food products, highway safety equipment business and an electric line manufacturing business); and a residential care facility. As a result of these loans and grants, 446 jobs were created or saved in Missouri rural areas.



Several successful business development partnerships were formed during the fiscal year. The Rural Business Enterprise Grant (RBEG - 1.2 million) and the Rural Business Opportunity Grant (RBOG - \$703,000) are specific grant programs awarded to eligible public bodies, private non-profit corporations and federal recognized Indian tribes for the purpose of business development. These grants enabled communities to improve infrastructure, obtain feasibility studies for potential new business ventures, and expand a farmers market, all resulting in improved living conditions for Missourians.

One recent program established to assist both independent producers, including cooperatives, and agricultural producer groups is the Value-Added Development Grants, better known as VADG. The purpose of the grant is to develop feasibility studies or business plans needed to establish a viable value-added marketing opportunity for an agricultural product; or acquiring working capital to operate a value-added business venture or an alliance that will allow the producers to better compete in domestic and international markets. In Missouri there are 13 business ventures in the process of determining business feasibility for a variety of products.



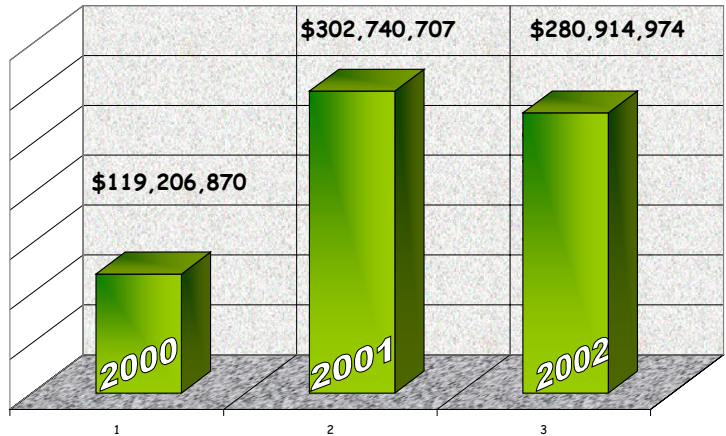
Business & Industry	\$ 17,265,107	72.33%
Value Added Development	\$ 2,817,804	11.80%
Rural Economic Development Loan	\$ 1,350,000	5.66%
Rural Business Enterprise Grant	\$ 1,258,977	5.27%
Rural Business Opportunity Grant	\$ 703,600	2.95%
Rural Economic Development Grant	\$ 200,000	0.84%
Rural Community Development Grant	\$ 173,385	0.73%
Rural Community Development Initiative Grant	\$ 102,011	0.43%

## RURAL UTILITIES SERVICE

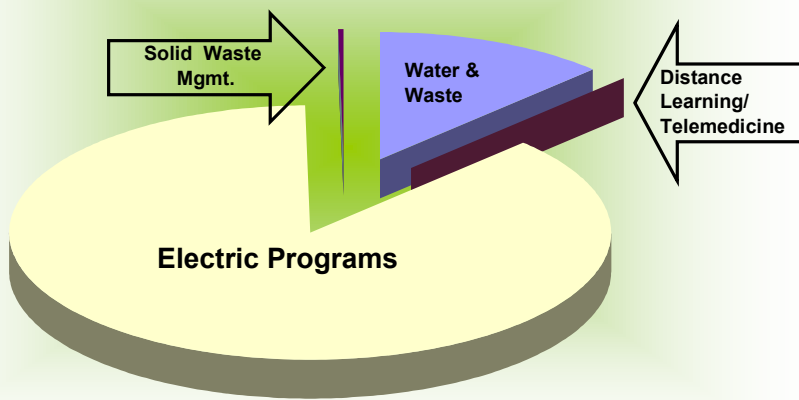
Through these programs during FY 2002, 6,824 families now have adequate drinking water in 23 communities and 4,962 families enjoy new or improved waste disposal systems in 26 communities. USDA funds were leveraged with \$17 million of other federal, state, and local funds to accomplish these results. In addition, the state received three Solid Waste Management Grants to provide technical assistance to communities evaluating landfill conditions and to determine threats to water resources.

A Distance Learning and Telemedicine grant was made to an educational consortium to provide improved communication and education infrastructure to rural residents. Loans are available through the telephone program to connect subscribers, provide improvements in the transmission and switching facilities, provide fiber optic cables and expand telecommunication systems to provide better service to rural Missouri residents.

**Rural Utilities Obligations**



## Rural Utilities Service

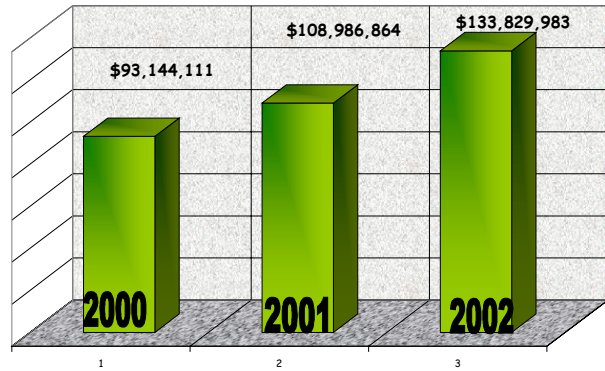


As a result of our programs, we were able to assist borrowers with generation and transmission of electricity to distribute electricity to end users/ customers. It is estimated 156,000 rural residential consumers benefited from the electrical program.

Electric Programs	\$245,500,000	87.39%
Water & Waste	\$ 34,746,482	12.37%
Distance Learning/Telemedicine	\$ 464,492	0.17%
Solid Waste Management	\$ 204,000	0.07%

**RURAL HOUSING SERVICE**

Home ownership became a reality for 1,468 individuals or families. These homes were purchased with either direct funds from Rural Development, or guaranteed funds provided by private sector lenders and guaranteed by Rural Development. About 477 senior citizens or disabled individuals were able to complete essential repairs to remove a health hazard, including repairing roofs, heating, electrical and plumbing systems, water and waste disposal systems, insulation and other steps to make their homes safe. Affordable rental units were repaired or constructed in 5 communities. It is estimated that over 4,500 jobs were saved or created to provide housing in rural Missouri.

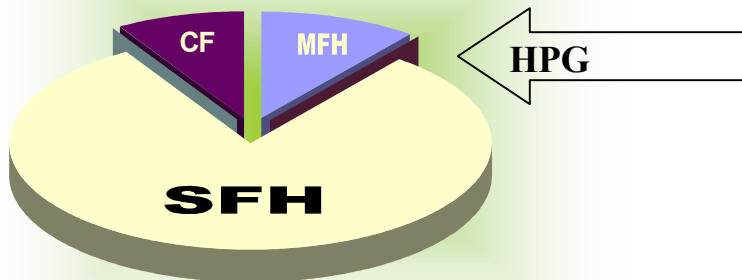


Another \$12.9 million of rental assistance was provided to 8,800 very low income families living in federally financed rental projects and 88 families were able to make repairs through a Housing Preservation Grant.

A significant accomplishment in the housing program was the construction of eight homes involved in the Self-Help housing program. Through countless hours of hard work the new homeowners combined an approximate \$80,300 loan with their own "sweat equity" to build a home and realize the American Dream of homeownership.

Also included in the housing programs are Community Facility loans and grants. We were able to assist fire departments with buildings and equipment, advance warning systems, senior centers, health departments, ambulance service, daycare, nursing home, thrift store, community center, school district and a library, each making the community a better place to live.

**Rural Housing Service**



SINGLE FAMILY HOUSING	\$107,883,738	80.61%
MULTI-FAMILY HOUSING LOANS	\$14,010,410	10.47%
COMMUNITY FACILITIES	\$11,698,475	8.74%
HOUSING PRESERVATION GRANTS	\$237,360	0.18%

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