
Farm Bill 2002: Title VI - Resources for Rural Development in Colorado

Quick Notes...

In this fact sheet, we will briefly summarize the major programs and resources granted to rural development efforts, programs, and areas under the 2002 Farm Bill. This discussion will be divided into five sections:

1. Value-Added Agriculture
2. Rural Business Assistance
3. Infrastructure Development (including water, waste disposal, transportation, and telecommunications)
4. Strategic Regional Planning
5. Miscellaneous Rural Development Programs

Detail for each of these efforts can be found at USDA-sponsored sites if the program is of interest and you need more information. We recommend <http://www.usda.gov/farmbill/>.

For a long time, farm policy indirectly addressed rural development concerns by supporting income to farmers, thereby intending to improve the conditions of areas where the farmers and their operations are located. Yet, there have been numerous calls for a more developed rural development policy that focuses on the broader set of forces influencing rural America. The size and breadth of Title VI on Rural Development in the 2002 Farm Bill is evidence of the

complexity of rural development concerns and the increasing priority given to those issues.

The broadest program established under the Rural Development title of the 2002 Farm Bill is a National Rural Development Partnership, charged with assisting with the coordination of USDA's rural development programs, especially as they relate to other Federal and State programs that influence and affect Rural Development. The Colorado Rural Development Council (<http://www.rurdev.usda.gov/nrdp/profile-co.pdf>) began in 1993 and has initiatives in several of Colorado's rural areas.

Value-Added Agriculture

Proponents of value-added agriculture programs believe rural areas will receive a larger share of the jobs and income earned in the process of converting raw farm products to consumer-ready products compared to the current marketing channels that often transport the materials far away for processing. Value-added agriculture encompasses methods used to increase the value obtained from agricultural production, such as manufacturing processed food that sells at a higher price than raw commodities or nonfood items, such as processed wood or fuel from farm goods. In addition to good economic growth potential, value-added activities can help diversify the economic base of rural communities. Retail prices tend to be less volatile than raw commodity prices, resulting in a more stable economic base.

The Value-Added Agricultural Product Market Development Grant Program supports these activities by providing planning grants for developing business and marketing strategies. This grant program is authorized at \$40 million per year, awarded through competitive grants to independent producers or to agricultural producer groups, farmer or rancher cooperatives, and majority-controlled producer-based business ventures. The grants assist in developing business plans and strategies that would create viable marketing opportunities for value-added agricultural products. In Colorado, the contact office is USDA Rural Development, Cooperative Services (<http://www.rurdev.usda.gov/co/coopsvs.htm>).

Along a similar line, The **Agriculture Innovation Center Demonstration Program** is authorized to provide technical assistance, business and marketing planning, and organizational, outreach, and development assistance to increase the viability, growth, and sustainability of value-added agricultural businesses. USDA would make grants to eligible entities to establish the centers, and USDA would provide the centers with research and technical services.

Finally, there is a new program that will encourage Farm Worker Training on new technologies required for higher value crops and agricultural development.

Rural Business Assistance

Beyond value-added agriculture, there is interest in supporting the development of all new businesses in rural areas to support incomes and create employment. The 2002 Farm Bill increases the availability of funds for **Rural Business Enterprise Grants, Development Loans and Grants, and Rural Cooperative Development Grants** to support business ventures in rural areas.

A new **Rural Business Investment Program** is meant to encourage investment in rural businesses (especially smaller entities) by backing any investments made in those businesses. Operational assistance to these businesses will also be available through a grant program. For the smallest communities that may need assistance in exploring what industries or economic development channels to pursue, there will be a new **SEARCH grant program** for communities with a population of 3,000 people or less.

Infrastructure Development (including water, waste disposal, transportation, and telecommunications)

Modern and improved infrastructure can play an important role in rural communities, not only for economic development, but also to maintain a healthy community and a clean environment. Increased Federal funding of rural water systems, transportation, and telecommunications (including broadband access) should help to meet the growing public and private demands for modernized communication systems as well as safe and clean water in rural communities. Infrastructure support will be provided to a wide range of projects using several different support mechanisms.

The demand for **Water and Waste Facility** grants from the past farm bill has led to increased funding levels, action on pending applications and new guarantees for bond-financed loans for these projects. Special monies are set-aside for very small communities (3,000 people or less) to prepare environmental and feasibility studies that are now required of all communities. There are also grants available to nonprofits that support and assist in the financing of such infrastructures.

Telecommunications and Broadband access for rural areas will likely be improved through grants, loans and loan guarantees.

Construction, improvements, equipment and needed facilities are all eligible for areas under 20,000 in population. This infrastructure will be a fundamental element of programs to encourage **Rural Telework** and **Rural Electronic Commerce Extension** programs aimed at improving employment and technology opportunities for rural communities and small businesses. Moreover, **Local Broadcast Television** will be promoted for unserved and under served rural markets with loan guarantees. These programs are likely to be of great interest in several areas of Colorado, where high quality technology would complement the draw of a high amenity lifestyle to some high value industries.

Strategic Regional Planning

There is some evidence that interregional cooperation and planning may be beneficial, especially to rural areas that need to partner on large investments with neighboring communities, counties, or metro areas. A **Rural Strategic Investment Program** was included in the 2002 Farm Bill to fund regional investment boards. The hope is that these boards can encourage more formalized planning and implementation of regional rural development strategies, when appropriate. On a similar note, a **Multi jurisdictional Regional Planning Organization Program** will fund organizations that assist local governments and organizations with their joint, local development efforts.

Miscellaneous Rural Development Programs

In addition to the targeted priorities and programs discussed above, there are several new programs to support various issues that are unique to rural areas. These include:

1. Rural Firefighters and Emergency Medical Personnel Training Program
2. Historic Barn Preservation grants to help States identify and preserve historic barns
3. Community Facilities Grants to Tribal Colleges and Universities.
4. Community Facilities funds for child care.
5. NCAA Weather Radio Transmitters for hazard radio broadcasts.
6. Renewable Energy Systems for the purpose of energy generation.

Watch for these resources as they are established by new or within existing organizations throughout Colorado. Contact your local, regional or state CSU Cooperative Extension office or your regional or state USDA Rural Development office in Lakewood if you have interest or questions:

Colorado Rural Development
655 Parget Street, Room E-100
Lakewood, CO 80215
Phone: 720-544-2903

Or look for your local office at:

<http://www.rurdev.usda.gov/co/contactus.htm>

Local Offices:

<http://www.ext.colostate.edu/coop/contmenu.html>

Notes...
Network

(For More Information) Contact: **Rod Sharp, Ag. & Business Management Economist, CSU Extension, (970) 491-7220, Rod.Sharp@colostate.edu**
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