

## Farm Bill Fact Sheet: Rural Development Provisions

*Eric A. Scorsone  
August 2002*

The 2002 Farm Bill contains provisions regarding rural development in the United States. This information may be useful to rural communities seeking to enhance their local economies. The provisions in the Farm Bill particularly relate to local infrastructure development, including telecommunications access.

Wastewater and water treatment facilities grants are authorized under this Farm Bill. These grants can be provided to qualified nonprofit entities in communities to capitalize revolving loan funds. These funds can be then be used to construct or repair water and waster facilities in rural communities.

Given the importance of Internet access in today's economy, the Farm Bill authorizes new loan and loan guarantees for rural broadband access. Local governments are eligible for such loans. This program has been funded at 20 million dollars for 4 years and 10 million dollars for the last two years. Under this program, a rural local government could apply for a loan or loan guarantee to construct or improve telecommunications and broadband access.

Even in the information age, some residents do not have access to local television service. The Rural Local Television Broadcast Signal program provides funds for underserved residents in rural areas to receive local

television channel access. This program has been funded at the level of \$80 million.

The Agricultural Development Fund in Kentucky has reminded producers of the importance of value added agriculture. The Farm bill authorizes a program called, Value Added Agricultural Product Market Development grants, up to \$500,000 to producers and producer groups to engage in these types of activities. The program is funded for 40 million dollars a year for the next six years.

The Rural Business Investment program provides equity funding for businesses in rural areas. It will grant up to 10 percent (or \$1 million) of the total received in private funding to a particular entity. In essence this program could be called gap financing, where a business entity is seeking additional funds for which the private sector has been unwilling to come forward with. This program has been authorized for up to 280 million dollars in loan guarantees and 44 million dollars for grants.

There are a number of other miscellaneous items in the Farm Bill. The Farm Bill does have some provisions for farm workers. It provides up to \$10 million dollars for training of farm workers in the use of new technologies. It also provides a small amount of funding for historic barn preservation. The program provides support for telephone loans to improve 911 accesses to rural communities. Finally, there is support for NOAA weather radio transmitter grants.