

FUNDING: GRANTS & LOANS



Description	Funding Source	Repayment	Criteria	Amount	Uses of Funding	Further Information	Contact Information	
Tax Increment Financing (TIF)	Allows local governments to provide loans and grants to, or provide accommodating infrastructure improvements for, local businesses.	Local city councils and mayors	Through taxes	At discretion of local city councils and mayors.	Up to amount of increased tax revenue expected over 10-20 years.	Accommodating town infrastructure, construction costs.	CDFA TIF Resource Library	Contact local township and/or county
Tax Abatement	Counties and towns can agree to abate taxes for new or expanding business.	Local city councils and county supervisors	None	At discretion of local city councils and county supervisors.	Varies	Not specified	Contact local township and/or county	
Rural Economic Development Loan and Grant ("Red Leg")	Local rural electrical or telephone cooperative applies to borrow money from the federal government. If application is successful, co-op passes money on to sub-applicant business.	Local rural electrical or telephone cooperative	0% interest for 10 years	Loan can only be accessed through a local rural electrical or telephone cooperative.	Maximum loan amount \$750,000. Successful applicants typically finance 5-17% of a project, and never more than 50%.	Many small meat lockers have been built or renovated over the years with these funds.	Contact local rural electric and/or telephone co-op	
Small Business Administration's (SBA) Certified Development Corporation ("504") Loan Program	Program provides partially-subsidized and guaranteed loans. Local lender covers up to 50% of project costs, SBA covers up to 40%, and you must put in at least 10%.	SBA	Loan can be amortized over 10 or 20 years	Only available to for-profit businesses. Full criteria on website.	Maximum \$5.5 million	Can be used for financing of fixed expenses like real estate or equipment.	SBA portion of loan is usually below market rate. However, fees associated with the loan that equal 3% of the SBA portion are a drawback.	https://www.sba.gov/funding-programs/loans
Rural Energy for America Program (REAP) aka Section 9007 of Farm Bill	Only for energy-efficiency improvements to existing facility or equipment, and grants can only cover 25% of cost of eligible portions of renovation.	USDA	Grant, but can only cover 25% of cost of eligible portions of renovation	Only for energy-efficiency improvements. Professional energy audit required.	\$50,000 is the realistic cap. For renovations over \$200,000 a feasibility study is required and detailed business financial need must be demonstrated.	Only for existing facilities or equipment that are being made more energy efficient.	Best practice is to apply for both grant and loan guarantee. Decision is then made locally and rapidly. A grant is virtually assured if all paperwork is in order and funds are available when business applies for both.	https://www.rd.usda.gov/contact-us/state-offices

FUNDING: GRANTS & LOANS, CONTINUED



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Farm Storage Loans	USDA FSA	Loan terms vary from 3-12 years	Must be for eligible commodity (meat/poultry) and eligible facility type.	Minimum \$50,000 Maximum \$500,000	For portable storage, refrigerators, walk-in coolers, etc.	https://www.fsa.usda.gov/programs-and-services/price-support/facility-loans/farm-storage/index	https://offices.sc.gov.usda.gov/locator/app?agency=fsa
Local Food Promotion Program (LFPP)	USDA ARS	Grant with 25% match	Must support food businesses that process, distribute, aggregate, or store locally/regionally produced food products.	Varies	LFPP Planning Grants fund planning stages of establishing or expanding a business.. LFPP Implementation Grants fund a new business, or to improve or expand existing business.	LFPP Planning Grants can include feasibility studies, business planning. LFPP Implementation Grants can include marketing, training, non-construction improvements.	https://www.ams.usda.gov/services/grants/lfpp
Value Added Producer Grants	USDA Rural Business	Grant with 50% match of total project costs	Must be independent producer, agricultural producer groups, farmer- or rancher-cooperatives, or majority-controlled producer-based business venture.	Planning grants \$75,000 max, Working Capital Grants \$250,000 max	To help agricultural producers enter into value-added activities related to the processing and/ or marketing of new products. This grant can cover processing costs for a farmer.	Applicants may receive priority if they are a beginning and/or socially-disadvantaged farmer or rancher, a small or medium-sized family farm, a farmer/rancher cooperative, or propose a mid-tier value chain.	https://www.rd.usda.gov/programs-services/value-added-producer-grants
Rural Business Development Grant	USDA Rural Business	Grant, no cost sharing requirement	For small and emerging private businesses in rural areas employing 50 or fewer new employees with less than \$1 million in gross revenue.	Minimum \$10,000 Maximum \$500,000	To support targeted technical assistance, training, and other activities leading to development or expansion of applicable businesses.	https://www.rd.usda.gov/programs-services/rural-business-development-grants	
Rural Cooperative Development Grant	USDA Rural Business	Grant with 25% match of total project costs	Only nonprofit corporations and higher education institutions can apply.	Maximum \$200,000	For developing and operating a Rural Cooperative Development Center.	Examples of services Centers provide are conducting feasibility studies, developing business plans, and facilitating strategic planning.	https://www.rd.usda.gov/programs-services/rural-cooperative-development-grant-program