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USDA RURAL DEVELOPMENT INVITES APPLICATIONS FOR RENEWABLE ENERGY LOANS AND GRANTS

WASHINGTON, March 6, 2008 - Agriculture Secretary Ed Schafer announced during an international renewable energy conference that USDA will accept \$220.9 million in loan and grant applications within USDA's Renewable Energy Systems and Energy Efficiency Improvements Program.

"As demand for energy rises, these renewable energy loans and grants help farms and rural small businesses increase their investment in renewable energy initiatives," said Schafer, speaking at the Washington International Renewable Energy Conference (WIREC). "Energy efficiency wisely applies our resources, and energizes wealth-creation opportunities with more jobs throughout rural America."

Loan guarantees and grants are available to agricultural producers and rural small businesses to purchase and install renewable energy systems or to make energy efficiency improvements.

Eligible applicants may seek loan guarantees to cover up to 50 percent of a project's cost, not to exceed \$10 million. Grants are available for up to 25 percent of a project's cost, not to exceed \$250,000 for energy efficiency improvements and \$500,000 for renewable energy systems. USDA Rural Development has invested \$674 million in more than 1,763 renewable energy and energy efficiency projects since 2001. These investments include ethanol, biodiesel, wind, solar, geothermal, methane gas recovery systems and biomass.

The Bush administration's Farm Bill proposal recommends a \$1.6 billion increase in renewable energy funding. Were Congress to agree, cellulosic ethanol development proposals would receive a \$2.1 billion loan guarantee program, while \$500 million would be available for bioenergy and bioproducts research programs, as well as another \$500 million for renewable energy development and energy efficiency grants. Details are available at www.usda.gov/farbill.

USDA will issue one grant solicitation for two separate competitions in FY 2008. For the first competitive window, grant-only applications must be submitted no later than

April 15, 2008. For the second competitive window, grant-only applications must be submitted no earlier than April 16, 2008, and no later than June 16, 2008. Applications for loan guarantees, as well as those for loan/grant combinations must be completed and submitted to the appropriate USDA Rural Development State Office no later than June 16, 2008.

Further information on rural programs is available at a local USDA Rural Development office or by visiting USDA's web site at <http://www.rurdev.usda.gov> .

USDA Rural Development's mission is to increase economic opportunity and improve the quality of life for rural residents. Rural Development has invested nearly \$91 billion since 2001 for equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure. More than 1.7 million jobs have been created or saved through these investments. Further information on rural programs is available at a local USDA Rural Development office or by visiting USDA's web site at <http://www.rurdev.usda.gov>.

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