

RURAL COOPERATIVE DEVELOPMENT GRANT (RCDG) PROGRAM

The National Cooperative Business Association CLUSA is requesting \$15 million available for grants to cooperative development centers in Fiscal Year 2023.

As the nation continues to weather the impacts of the pandemic and turn toward recovery, a growing number of people, businesses and communities are turning to the cooperative business model to preserve existing businesses, innovate, and spur locally-driven economic growth. As a result, non-profit cooperative development centers across the country have seen a steep increase in request for services. The Rural Cooperative Development Grant makes necessary technical assistance available to communities seeking to use cooperative businesses to solve local challenges. As the apex association for cooperatives across the U.S. economy, NCBA CLUSA expresses its strong support for the Rural Cooperative Development Grant program. After more than a decade of flat funding, we respectfully encourage Congress to provide no less than \$15 million for Rural Cooperative Development Grants.



PHOTO: FARM CREDIT

These investments will enable cooperative development centers to serve and further expand its reach into more rural communities to provide the types of technical assistance to cooperatives that allow for economic growth, job creation and job retention.

RCDG grants have been instrumental to the development of hundreds of businesses, the creation and retention of thousands of jobs, and have provided a lifeline for many rural communities. According to grant recipients surveyed, as of 2019, the RCDG program has led to the development of over 1,000 cooperative businesses, and created or saved over 15,000 cooperative jobs, and created or preserved over 4,500 cooperative housing units.

PROGRAM OVERVIEW

The RCDG program is a competitive grants program, administered by USDA's Rural Business-Cooperative Services. The primary objective of the RCDG program is to improve the economic condition of rural areas by assisting individuals or entities in the startup, expansion, or operational improvement of rural cooperatives and other business entities.

RCDG funds enable non-profits and institutions of higher education to support rural businesses by providing technical assistance not available elsewhere.

- farming
- housing
- retail grocery
- food distribution
- childcare
- home care
- restaurants
- small business conversions

IN THE LAST TEN YEARS:



RCDG CREATED OVER
15,000 JOBS



RCDG DEVELOPED OVER
1,000 BUSINESSES

PROGRAM COST AND RECENT FUNDING

The 2018 Farm Bill reauthorized RCDG at \$40 million for each year through 2023 under the Rural Business-Cooperative Services account. The competitive program has received stagnant funding at \$5.8 million since FY12 and \$3 million for cooperative development

with socially disadvantaged groups. For a sustained recovery that can drive further economic growth, Congress must make more funding available for RCDG in Fiscal Year 2023 to meet the increased demand coming from local business leaders.

THE NATIONAL COOPERATIVE BUSINESS ASSOCIATION CLUSA INTERNATIONAL

is the primary voice in the U.S. for people who use cooperatives to build a better world. We do this work through:

ADVOCACY



THOUGHT LEADERSHIP



DEVELOPMENT



PUBLIC AWARENESS



THE ABCs OF COOPERATIVE IMPACT

Cooperatives have an impact on local economies:

- A ccess:** A cooperative increases access to affordable quality products, services, suppliers and markets, lowering costs and serving markets and communities historically seen as “higher risk” or underserved.
- B usiness sustainability:** A cooperative business structure increases firm survival and profitability through higher and less volatile revenues, lower costs and a focus on long-term outcomes, including scaling the cooperative to compete with multinational corporations.
- C ommunity commitment:** A community-focused cooperative is committed to being a good neighbor through education, financial support, facility use and business practices that reflect the values of the community.
- D emocratic governance and empowerment:** In a well-functioning cooperative, membership actively participates

and shapes the mission and decisions of the organization, which translates into broader civic and political involvement.

- E quity, diversity, and inclusion:** To be an effective contributor to its community, cooperative membership reflects the community in racial composition, gender, age, and abilities, and historically excluded communities and individuals have a voice and leadership opportunities.
- F inancial security and advancement for workers:** Cooperatives work best for their members, employees and communities when they provide living-wage jobs with benefits and increased opportunity for wealth building, career advancement, training and leadership development with lower turnover and higher job satisfaction.
- G rowth:** Cooperatives are local and regional anchors, promoting economic growth through stable jobs, high industry standards, consistent services and economic multiplier effects through increased community investment, local jobs and local procurement.