



## **Rural Business Development Grants**

Application Window: **Open**

Program Application Period: **Complete applications may be submitted in paper or electronic format and must be received by 4:30 p.m. local time on February 28, 2025, in the USDA RD State Office for the State where the project is located.**

### **Overview**

#### **What does this program do?**

The purpose of the program is to promote economic development and job creation projects through the awarding of grant funds to eligible entities. Applications will compete in two separate categories, business opportunity grants and business enterprise grants, for use in funding various business and community projects that serve rural areas.

#### **Who may apply for this program?**

Grants may be made to a Public Body/Government Entity, an Indian Tribe, or a Nonprofit entity primarily serving rural areas.

#### **What is an eligible area?**

Rural Business Development Grant money must be used for projects that benefit rural areas or towns outside the urbanized periphery of any city with a population of 50,000 or more. Check [eligible areas](#).

#### **What kind of funding is available?**

There is no maximum grant amount; however, smaller requests are given higher priority. There is no cost sharing requirement. There are two types of RBDG projects, Opportunity grants and Enterprise grants. Opportunity type grants are limited to up to 10 percent of the total Rural Business Development Grant annual funding. Enterprise type grants must be used on projects to benefit small and emerging businesses in rural areas as specified in the grant application.

#### **How may Enterprise type funds be used?**

- Training and technical assistance, such as project planning, business counseling and training, market research, feasibility studies, professional or/technical reports, or producer service improvements.

- Acquisition or development of land, easements, or rights of way; construction, conversion, renovation of buildings; plants, machinery, equipment, access for streets and roads; parking areas and utilities.
- Pollution control and abatement.
- The capitalization of revolving loan funds, including funds that will make loans for start-ups and working capital.
- Rural distance learning for job training and advancement for adult students.
- Rural transportation improvement.
- Community economic development.
- Technology-based economic development.
- Feasibility studies and business plans.
- Leadership and entrepreneur training.
- Rural business incubators.
- Long-term business strategic planning.

#### **How may Opportunity type funds be used?**

- Community economic development.
- Technology-based economic development.
- Feasibility studies and business plans.
- Leadership and entrepreneur training.
- Rural business incubators.
- Long-term business strategic planning.

#### **How are applications evaluated?**

All applications are evaluated based on:

- Evidence showing job creation at local businesses.
- Percent of non-federal funding committed to the project.
- Economic need in the area to be served.
- Consistency with local economic development priorities.
- Experience of the grantee with similar efforts.

Other factors are described in the Notice of Solicitation of Applications (NOSA).

#### **How do we get started?**

- Applications are accepted through USDA Rural Development's local or [state offices](#). Applicants are advised to view program information specific to your local or [state office](#) to learn about local application timelines, concept paper requirements, etc.
- Grant awardees will need to complete required paperwork and comply with the terms and conditions of the award. Contact your local or [state office](#) for details.

#### **Who can answer questions?**

- Contact your [local office](#).

### **What law governs this program?**

Citations and other information may be subject to change, please always consult the program instructions listed in this section.

This program is authorized by the Consolidated Farm and Rural Development Act (ConAct). Basic Program – [7 CFR Part 4280, Subpart E](#).

### **Why does USDA Rural Development do this?**

This program provides grant money to assist with economic development planning and/or the financing or expansion of rural businesses.

# Rural Business Development Grants

What does this program do?

**Rural Business Development Grants (RBDGs) support targeted technical assistance, training, and other activities that promote the development and expansion of small and emerging private businesses in rural areas. Eligible businesses must have fewer than 50 employees and less than \$1 million in gross annual revenues. RBDG funding is separated into either enterprise or opportunity-type grant activities.**

Who can apply?

**Eligible applicants include:**

- **Rural cooperatives**
- **State government agencies, towns, and communities**
- **Nonprofit corporations and institutions of higher learning**
- **Federally recognized Tribes**

**Important: Neither individuals nor for-profit businesses or organizations are eligible to apply for RBDGs.**

## **What is an eligible area?**

The RBDG supports projects benefiting rural areas outside of urbanized areas that have populations of 50,000 or more. You can use the USDA Income and Property Eligibility site (available at this link: [tinyurl.com/8ysytefa](https://tinyurl.com/8ysytefa)) to determine your area's eligibility.

## **How can funds be used?**

Among other things, **enterprise-type** grant uses include:

- Training and technical assistance, including project planning, business counseling, market research, feasibility studies, and product or service improvements
- Buying or developing land, easements, or rights of way, including access streets and parking areas
- Constructing or renovating buildings, and buying machinery and equipment
- Capitalizing revolving loan funds
- Supporting rural business incubators and community economic development

Among other things, **opportunity-type** grants can support:

- Business support centers
- Technology-based economic development
- Leadership and entrepreneur training
- Feasibility studies, business plans, and long-term strategic planning, and other eligible activities

## **What are some grant terms?**

Generally, grants range from \$10,000 to \$500,000, and there is no cost-sharing requirement. Opportunity-type grants are limited to no more than 10 percent of the total available RBDG funds.

## **How do we get started?**

Applications are accepted annually through your state-based USDA Rural Development office. A list of offices is available at this link: [tinyurl.com/bddtm6vj](https://tinyurl.com/bddtm6vj).

## **What governs this program?**

- The basic RBDG program is governed by 7 CFR Part 4280, Subpart E, available at this link: [tinyurl.com/yc2psnzu](https://tinyurl.com/yc2psnzu).

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**NOTE: Because information changes, always consult official program instructions or contact your local Rural Development office for help. A list is available at this link: [go.usa.gov/xJHPE](https://go.usa.gov/xJHPE). You will find additional resources, forms, and program information at [rd.usda.gov](https://rd.usda.gov). USDA is an equal opportunity provider, employer, and lender.**