

**Submitted testimony of  
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**Senate Committee on Agriculture, Nutrition and Forestry  
November 23, 2009  
William J. Clinton Presidential Library Great Hall  
Little Rock, Arkansas  
1 p.m.**

Chairman Lincoln, Ranking Member Chambliss, distinguished members of the committee, thank you for having us today. My name is Annett Pagan, and I am Director of US Programs at Winrock International. Winrock International is a nonprofit organization based in Little Rock, Arkansas that works with people in the United States and around the world to empower the disadvantaged, increase economic opportunity, and sustain natural resources. I am pleased to be here today to discuss USDA Rural Development's programs and the benefits they provide to rural Arkansans.

Winrock International's US Programs has implemented grants and cooperative agreements funded by USDA for more than 15 years. In this time frame, we have been awarded more than \$4.8 million in funding from Rural Development to complete 27 projects. From community and economic development to value chain agriculture, Winrock's US Programs has used USDA Rural Development funding to improve the lives of rural Arkansans through various activities.

Winrock has implemented projects funded by the Rural Community Development Initiative, Rural Business Enterprise Grant, the Rural Business Opportunity Grant, the Rural Cooperative Development Grant as well as many other USDA programs outside of Rural Development. We believe it is imperative that Rural Development programs remain committed to rural projects for increased success in small communities.

**Winrock Community Development Success**

Winrock is proud of the success we've seen in rural communities across Arkansas. Winrock International's Nonprofit Improvement Program, funded by USDA's Rural Utilities Rural

Community Development Initiative has proven vital to the success and growth of Arkansas's small municipalities and rural nonprofit organizations.

Winrock has been awarded grant funding for this important project for six of the past seven years. Winrock's Nonprofit Improvement Program began in 2003 with seven nonprofit organizations receiving technical assistance, allowing them to build their capacity to take on larger, more complex projects. Since its inception, the Nonprofit Improvement Program has grown to include 45 rural municipalities or nonprofit organizations participating in classroom workshops, field tours and mentoring activities provided by Winrock's community development experts. Over the past seven years, Winrock has been awarded approximately \$1.3 million in grant funding for this program. Program activities have given participants the tools that allowed them to bring home more than \$20.3 million in federal, state and private funding.

### **Winrock Economic Development Success**

Winrock's US Programs supports rural enterprises to allow them to see the same success as large agricultural producers. Winrock has long been involved with the Rural Cooperative Development Grant Program. The Arkansas Rural Enterprise Center, a fully established cooperative development center, has received more than \$1.9 million in funding since 1993. While working with cooperatives in all areas, Winrock's Arkansas Rural Enterprise Center always includes assistance to minority and socially-disadvantaged groups in its RCDG applications. Our activities in 2008-2009 focused on working with Poultry Partners, Inc., which is made up of more than 400 poultry producers in rural areas of northwest Arkansas, northeast Oklahoma, and southwest Missouri. Many of these producers employ minorities and approximately 15-20% of Poultry Partners producers are Hmong.

Other 2008-2009 project activities included providing support to minority and limited income farmers who grow sweet potatoes in eastern Arkansas. The 25-member Arkansas Delta Produce Marketing Association, with farms located in St. Francis, Monroe and Lee Counties, is 100% minority. This area of rural Arkansas is among the most impoverished in the state, with consistent high unemployment and low per capita income rates.

### **Winrock and Rural Development Programs**

Winrock has seen great success through the Rural Business Enterprise Grant. We began our work in this area with wood manufacturers, providing a cost-sharing technical assistance program that required a manufacturer to support half of the cost of the technical assistance. From this initial program, Winrock saw 100 businesses move to a new stage of commercialization as well as the hiring or retaining of 800 employees.

In 2009, Winrock was awarded a RBEG grant that will, again, cost share with startup companies in manufacturing, value-added agriculture, and bioenergy sectors to provide necessary commercialization techniques that allow them to move from start up to viable businesses.

Winrock has had the unique opportunity to use funding from nine Rural Business Opportunity and Rural Business Enterprise Grants during the past 15 years. Winrock has used RBOG funding to establish the feasibility of establishing a bio-fuel refinery in England, Arkansas, and to provide technical assistance to poultry producers in northwest Arkansas. A recent study coordinated by the Memphis Bioworks Foundation, notes that within the next decade expanding biofuels and biobased products business sectors could create more than 25,000 jobs in the Mid-South Mississippi Delta Region.

We believe the RBEG and RBOG programs are vital to support new rural businesses, often young or beginning farmers and entrepreneurs, with the support needed to see a business succeed. However, reduced funding for these programs means projects are limited in scope. The RBOG program now only funds a \$50,000 grant for a one state project, while a mere \$150,000 supports work in three states. This funding amount is, unfortunately, inadequate to support the types of projects necessary to reduce the risk of investors and bolster opportunities for building new industries rural areas. To fully support regional projects, it is our opinion that this funding opportunity be increased. It is difficult to provide the technical assistance necessary to fully support rural businesses in one state, much less three, with this limited funding.

We are pleased that Congress has supported an increase in funding for the RCDG program in 2010. The current appropriation is \$7,924,000, more than double the 2009 program funding. We believe this increased funding will help Cooperative Development Centers such as Winrock's Arkansas Rural Enterprise Center expand their cooperative development efforts.

Chairman Lincoln, Ranking Member Chambliss, distinguished members of the committee, I appreciate the opportunity to make this presentation and am happy to answer any questions you may have.