



California Association for  
Micro Enterprise Opportunity

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The Honorable Robert Aderholt  
Chairman  
Subcommittee on Agriculture, Rural Development, Food and Drug Administration,  
and Related Agencies  
House Appropriations Committee  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Aderholt,

On behalf of the California Association for Micro Enterprise Opportunity, I am writing to request your support for critical programs that support rural businesses as you consider appropriations for the 2018 fiscal year. Specifically, these programs include: Rural Business Development Grants (RBDG), Rural Microentrepreneur Assistance Program (RMAP), the Intermediary Relending Program (IRP) and Value Added Producer Grants (VAPG).

CAMEO is California's statewide micro-business network made up of over 170 organizations, agencies, and individuals dedicated to furthering micro-business development in California. We expand resources and build capacity for our member organizations that provide entrepreneurs with small and micro-business financing such as loans and credit, technical assistance and business management training. Annually, CAMEO members serve about 21,000 very small businesses with training, business and credit assistance and loans. These firms – largely start-ups with less than five employees – support or create 37,000 new jobs in California and generate a total of \$1.3 billion in economic activity.

Congressional investment in micro-business development matters: 88% of small businesses that receive business development services are still in business after five years. This compares to an overall five-year business success rate of less than 50 percent. Businesses that receive training also tend to have average annual revenues that are 38 percent higher than those that do not. Business ownership is also a means with which to increase income and generate wealth. In underserved communities – whether urban or rural – microbusinesses are creating jobs and uplifting their communities.



Thus, we are requesting the following FY2018 funding levels to support the programs that serve microbusinesses in rural areas:

- Rural Business Development Grant Program \$35M
- Intermediary Relending Program \$19M
- Rural Microentrepreneur Assistance Program \$ 3M
- Value Added Producer Grants \$11M

These programs are integral pieces of the Rural Business-Cooperative Service (RBS) and critical to the entrepreneurial ecosystem. Since 2009, RBS investments in rural communities have assisted over 112,000 businesses and saved or created over 450,000 jobs. To improve opportunities in rural America, these programs should be fully funded.

RBDG provides technical assistance and training to small and microbusiness owners, capitalizes revolving loan funds, and spurs new business opportunities in rural communities. According to the Department of Agriculture's FY17 Budget Justification, the proposed funding level for RBDG will create or save over 8,000 jobs and will assist 4,150 businesses.

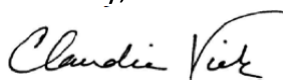
The IRP makes one percent loans to local intermediaries that re-lend to businesses and development projects in their communities. If fully funded, the IRP will support the creation of 14,450 jobs in rural communities.

RMAP provides business training and microloans to owner-operated businesses with up to ten employees. It targets very small business development, the leading job creator in rural communities, and is the only federal program that finances the capitalization of revolving microloan funds for rural areas. We support USDA's FY 2018 budget request of \$3 million for microlending and \$2 million for grants to support microbusiness training and technical assistance. These funding levels will support nearly \$25 million in loans and grants that will create nearly 6,000 jobs.

VAPG offers competitive grants to farmers and ranchers developing farm- and food-related businesses that boost farm income and create jobs in rural America. These grants may be used to fund business and marketing plans and feasibility studies or to acquire working capital to operate a value-added business venture or alliance.

Thank you in advance for your consideration of these views. If you have any questions, please feel free to contact Mark Lee at (202) 626-8528 or at [mlee@madisonservicesgroup.com](mailto:mlee@madisonservicesgroup.com).

Sincerely,



Claudia Viek  
CEO

