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Subcommittee on Commodity Markets, Digital Assets, and Rural Development
Strengthening Rural America Through USDA Rural Development Programs and Partnerships

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Chairman Johnson, Ranking Member Davis, and Members of the Subcommittee, thank you for the opportunity to provide testimony on the importance of USDA Rural Development programs and partnerships in strengthening rural communities and supporting economic development across the country.

My name is Tracy McIntyre, and I serve on the Board of the Association of U.S. Cooperatives (U.S. Co-ops), formerly the National Cooperative Business Association.

I also serve as Executive Director of the Montana Cooperative Development Center (MCDC), an organization dedicated to supporting the development and growth of cooperative businesses throughout Montana. For more than 25 years, MCDC has worked alongside rural communities, entrepreneurs, agricultural producers, and existing businesses to identify cooperative solutions to local economic challenges.

As a native of Eureka, Montana, I have spent much of my career working to strengthen rural communities through economic development, business development, and cooperative entrepreneurship. I previously served for 12 years as the Lead Economic Developer for North Lincoln County, working for the two utility cooperatives – InterBel Telephone Cooperative and Lincoln Electric Cooperative. During my tenure in Eureka, I helped secure an average of $1 million annually in community investment, led the development of the Tobacco Valley Business Incubator utilizing investments from Rural Development, and also worked extensively with the Town of Eureka on expanding and upgrading their water and wastewater systems. I later established Rural Economic Designs, LLC, through which I helped bring more than $3.5 million in investment to rural communities and businesses.

I have worked with MCDC since 2009 and have served as its Executive Director since 2019. Through this work, the center has supported cooperative development initiatives across Montana, including agriculture, housing, childcare, broadband, shared services, and workforce development. In the last six fiscal years (2020-2025), our office has supported eighteen (18) new cooperatives formed, supported annually 30 to 40 groups exploring cooperative solutions, and has over $3 million in private investment leveraged in our projects. My experience in both traditional economic development and cooperative development has demonstrated the

importance of strong partnerships with USDA Rural Development and the critical role federal programs play in helping rural communities turn opportunities into sustainable businesses.

As Congress considers the future of USDA Rural Development programs and partnerships, I encourage the Subcommittee to recognize the importance of maintaining access to planning and implementation resources, preserving local staff expertise and relationships, strengthening the Rural Cooperative Development Grant program, and improving coordination and accountability across federal programs.

Throughout my career, USDA Rural Development has been an essential partner in advancing economic opportunities in rural Montana. Beyond providing grants and loans, RD offers the technical expertise, local relationships, and institutional knowledge necessary to help rural communities navigate complex development projects. Maintaining and strengthening these partnerships is critical to ensuring that federal investments continue to generate meaningful and lasting economic benefits.

One of the most important roles of USDA Rural Development is providing communities with the initial resources necessary to move promising ideas toward implementation. Rural communities frequently face challenges accessing the capital needed to establish new businesses, improve infrastructure, or pursue economic development opportunities. For many projects, the greatest obstacle is not necessarily a lack of interest from private investors, but the lack of resources necessary to demonstrate that an idea is financially viable.

Planning grants, feasibility studies, and business development assistance help bridge this gap by establishing the foundation for larger investments.

A recent example of this approach is MCDC's work supporting an emerging meat processing and agricultural development project in Montana. Through a $33,000 Rural Business Development Grant (RBDG) from USDA Rural Development, combined with $30,000 from the state of Montana, we were able to support feasibility analysis and business planning for a model that integrates meat processing, regenerative agriculture, waste utilization, and value-added production.

This initial investment provided the project with the foundation necessary to begin assembling a broader financing package that includes public and private capital. Following the feasibility study, we helped the project secure $50,000 in support from CoBank and have received three additional private investment commitments of $50,000 each. The project has since attracted more than $1 million in pledged private investment and is pursuing additional financing opportunities through USDA Rural Development (Rural Economic Development Loan and Grant in partnership with their local telecommunications co-op, and the Business and Industry Loan

Guarantee program), state programs, and private lending partners and is now moving forward with securing their first location and building to begin operations.

This example illustrates an important principle of rural economic development: relatively modest public investments can help unlock significantly larger opportunities for private investment. Without the initial funding necessary to develop a feasibility study and sound business plan, rural entrepreneurs may struggle to demonstrate the viability of their projects or attract financing from traditional lenders.

I have seen this approach work throughout my career. During my time in North Lincoln County, USDA Rural Development helped establish the planning and infrastructure foundation for the Tobacco Valley Business Incubator following the closure of local mills. That early investment positioned the community to pursue additional resources, including funding through the U.S. Department of Commerce's Economic Development Administration.

These experiences demonstrate why USDA Rural Development should increase its support of both planning and implementation resources. Successful rural development often depends on combining multiple federal, state, and private financing programs, each serving a different purpose. The ability to leverage these resources is especially important for smaller communities that lack the financial capacity to advance projects independently.

The effectiveness of USDA Rural Development programs depends not only on the availability of funding, but also on the people responsible for administering these programs and working directly with rural communities.

For more than two decades, I have worked closely with USDA Rural Development specialists in Montana who understand the state's geography, economic conditions, and unique development challenges. These relationships have been instrumental in helping our organization identify funding opportunities, navigate federal requirements, and connect rural businesses with resources that extend beyond any single USDA program.

In many cases, our local RD specialists serve as trusted partners who can help evaluate a project in its earliest stages and identify opportunities to leverage resources from other federal agencies, state programs, financial institutions, and private partners. This type of institutional knowledge cannot be replaced.

Rural communities are not interchangeable, and even communities within the same state can face dramatically different circumstances. In Montana, some communities are located 40 to 50 miles from the nearest grocery store, with farmers and ranchers living even farther from essential services. The challenges associated with developing businesses, distributing products, and

maintaining infrastructure in these communities require a deep understanding of local geography and economic conditions.

Local RD staff understand these realities because they have developed relationships with the communities they serve. They know the history of local projects, the organizations involved, and the resources available to help address emerging needs.

As USDA considers changes to its staffing and service delivery models, it is important to recognize the potential consequences of reducing local capacity or moving toward more centralized regional structures. Removing experienced staff from the communities they know can weaken valuable relationships, create additional administrative burdens, and make it more difficult for rural organizations to access federal resources.

In smaller organizations like MCDC, where staff capacity is limited, our relationships with USDA Rural Development effectively expand our ability to serve rural communities. Preserving these partnerships helps ensure that federal programs remain accessible, responsive, and effective.

The Rural Cooperative Development Grant (RCDG) program is another important tool for supporting rural economic development. Through RCDG, cooperative development centers provide the specialized technical assistance necessary to help individuals and businesses establish, expand, and sustain cooperative enterprises.

Cooperatives play an important role in addressing economic challenges that traditional business models may not adequately serve. By allowing individuals and businesses to pool resources, share ownership, and participate in decision-making, cooperatives can help rural communities preserve essential services, create economic opportunities, and strengthen locally owned businesses.

Developing a successful cooperative, however, requires specialized knowledge and patience. Cooperative businesses must establish appropriate governance structures, financial systems, operating agreements, and legal frameworks that reflect both their members' needs and applicable state requirements.

When these foundational elements are overlooked, the consequences can be severe. Without the right foundation, cooperatives, like all businesses, may struggle to operate effectively, resulting in financial losses and business challenges.

This is why experienced cooperative development centers are critical to the success of federal investments in cooperative development.

MCDC has spent more than 25 years building institutional expertise, community relationships, and technical assistance capacity. Our work reflects the cumulative knowledge of the professionals who have served the organization and the rural communities that have partnered with us over time.

As federal programs seek to expand access to cooperative development services, it is important to recognize the value of these established relationships and the expertise that has been developed through years of federal investment.

Supporting new organizations and practitioners can strengthen the cooperative development ecosystem, but these efforts should complement rather than duplicate or undermine existing capacity. Experienced cooperative development centers can serve as valuable partners in helping train new practitioners, share best practices, and ensure that emerging cooperatives receive reliable technical assistance.

One example of this approach is MCDC's development of a Co-op Academy, an educational initiative designed to expand cooperative knowledge and build capacity throughout Montana. Developed in partnership with organizations including Montana's credit union community, the Academy provides educational opportunities for existing cooperative employees and individuals interested in supporting cooperative development. Through this initiative, MCDC seeks to strengthen understanding of cooperative business principles, improve member and employee engagement, and equip interested individuals with the knowledge necessary to support cooperative enterprises. Our friends at the North Dakota Association of Rural Electric Cooperatives host a similar event with their Rural on the Rise Conference, where they bring together community leaders to share tools, practical ideas, and networking in support of local development (both cooperative and traditional economic development).

By investing in education and training upfront, cooperative development organizations can help prevent costly organizational challenges while building a stronger network of informed partners across rural communities.

Programs like RCDG are essential to supporting this type of long-term capacity building, allowing experienced organizations to extend their reach and develop sustainable cooperative solutions. USDA Rural Development also has an opportunity to strengthen the impact of its programs through improved coordination, information sharing, and evaluation of project outcomes.

Rural economic development rarely fits within the boundaries of a single federal program. Projects may require planning assistance, business financing, infrastructure investments, technical assistance, and private capital. Successfully bringing these resources together requires coordination among agencies and a clear understanding of the available programs.

USDA Rural Development staff can play an important role in facilitating these connections. However, rural businesses, financial institutions, and even experienced economic development practitioners may be unfamiliar with the full range of resources available to them.

Programs such as USDA's Business and Industry Loan Guarantees and Rural Economic Development Loan and Grant Program offer important financing opportunities, but greater outreach and coordination could help more rural businesses and cooperative developers understand how to use these resources effectively.

There is also an opportunity to improve how federal agencies collect, organize, and share information from the projects they support. Organizations receiving federal grants are required to submit reports documenting their activities, outcomes, and use of federal resources. These reports often contain valuable information about successful development models, challenges encountered, and lessons learned. Yet this information is not always readily accessible to other federal agencies, technical assistance providers, or organizations pursuing similar projects.

Developing a more accessible system for sharing project outcomes and successful models could help reduce duplication, strengthen accountability, and improve the effectiveness of future federal investments. Such a system could also help agencies identify organizations with demonstrated experience and successful performance histories while providing newer practitioners with examples and resources to improve their work.

Existing efforts, including the Interagency Working Group on Cooperative Development, provide opportunities to encourage greater coordination and knowledge sharing across federal agencies. Strengthening these efforts could help ensure that the expertise developed through federal investments benefits a broader range of rural communities.

Throughout my career, I have witnessed the important role USDA Rural Development plays in helping rural communities overcome economic challenges and create new opportunities. Whether providing the initial funding needed to establish a viable business concept, connecting communities with additional financing resources, or supporting the technical expertise necessary to develop sustainable cooperative businesses, USDA Rural Development remains an essential partner in rural economic development.

Federal investments are most effective when they build upon the knowledge, relationships, and capacity that already exist within rural communities. By supporting experienced local partners and creating opportunities for collaboration, USDA Rural Development can help ensure that federal resources are used effectively and generate lasting benefits for rural Americans.

In closing, I would like to leave the Committee with three recommendations based on nearly 25 years of putting USDA Rural Development programs to work in rural communities.

- **First, continue investing in strong, accessible state-level Rural Development offices and personnel.**

These offices are critical to the success of those of us working on the ground to turn federal investments into meaningful projects. Their understanding of local communities, established organizations, and regional economic conditions makes them more than program administrators. They are trusted partners in identifying opportunities, navigating challenges, and ensuring federal dollars are invested effectively.

As USDA Rural Development works to rebuild its workforce, priority should be given to rehiring staff in state-level offices that have experienced personnel losses and restoring the local capacity needed to effectively serve rural communities. We must not only preserve existing relationships and institutional knowledge, but also rebuild the expertise and capacity that have been lost to ensure rural communities continue to receive the support they need.

- **Second, preserve the Rural Cooperative Development Grant program within USDA Rural Development and recognize the value of established Cooperative Development Centers.**

Cooperative development is much broader than agriculture and food systems. Cooperatives are addressing housing, business succession, access to capital, healthcare, childcare, essential services, and other economic challenges facing rural communities. USDA Rural Development understands this broader role and has the expertise, relationships, and programs to support cooperative development across industries.

The Rural Cooperative Development Grant (RCDG) program should continue encouraging new ideas and emerging cooperative developers while also recognizing the experience, demonstrated results, and infrastructure of established centers. These centers represent decades of public and private investment in expertise, relationships, and local capacity.

To strengthen the program, Congress should consider several longstanding recommendations from the cooperative development community, including authorizing multi-year grants to provide greater funding stability, reducing the nonfederal matching requirement to 25 percent, and streamlining the application and reporting processes. These improvements would reduce administrative burdens, allow centers to focus more resources on technical assistance, and support the long-term relationships necessary for successful cooperative development.

Greater coordination with the Interagency Working Group on Cooperative Development (IAWGCD) would also help maximize the impact of RCDG investments. The IAWGCD provides an opportunity to strengthen collaboration across federal agencies, share successful

cooperative development models, and improve access to technical assistance and funding opportunities. More consistent engagement between the IAWGCD, USDA Rural Development, and cooperative development centers could help ensure that the expertise and lessons learned through federally funded projects are shared and applied more broadly.

Rather than unintentionally undermining existing investments by creating duplicative systems, we should encourage emerging developers to collaborate with established centers, build upon proven resources, and expand the reach of cooperative development. The goal should be to strengthen the cooperative development network we have already invested in, not continually rebuild it.

- **Third, create a more transparent, connected system for tracking and sharing federally funded rural development projects and outcomes.**

Too often, our reporting, project outcomes, and lessons learned remain isolated within individual programs and federal agencies. This creates silos, limits collaboration, and makes it difficult to build upon successful projects.

We need a system that allows agencies, development organizations, and communities to better understand what has been funded, what has worked, and where opportunities exist to collaborate.

Greater visibility across agencies would also strengthen accountability by helping identify unnecessary duplication, flag potentially overlapping funding, and reduce opportunities for fraud or misuse of federal resources—while still allowing legitimate projects to leverage multiple funding sources.

Ultimately, these three recommendations come down to responsible stewardship of federal investment: preserve the relationships that make programs work, build upon the capacity taxpayers have already helped create, and make the results of those investments more visible and accessible. Rural communities do not need to continually start over. We need the tools, partnerships, and institutional knowledge to build on what works and create lasting economic opportunities.

I appreciate the Subcommittee's continued attention to the needs of rural communities and the opportunity to share my experiences. U.S. Co-ops and MCDC look forward to continuing their work with USDA Rural Development, Congress, and our partners to strengthen cooperative businesses and expand economic opportunities throughout rural America.