



# WISCONSIN LEGISLATURE

---

P. O. Box 7882 Madison, WI 53707-7882

For Release: June 21, 2019

Contact: Rep. Don Vruwink, 608-266-3790

## **Helping Our Rural Communities Thrive**

*By State Representative Don Vruwink*

Growing up in rural central Wisconsin in the 1960s and '70s was a formative experience. By age nine, I was waking up at 5:30 am to go to the barn and feed silage to the cows. To this day, at age 67, I still wake up at 5:30 am and work the long hours I did as a teenager and young adult.

In 2019, working long hours on the farm no longer guarantees success. Wisconsin's net farm income fell from \$3.6 billion in 2011 to \$1.7 billion in 2018. Wisconsin farms led the nation in Chapter 12 bankruptcy filings in 2018. This was the highest number of bankruptcy filings the state has seen in over a decade, and was more than double the amount the state had in 2019. More farms in Wisconsin filed for bankruptcy than did in California, Iowa, and Illinois combined.

There are plenty of factors contributing to these problems. Milk prices have remained in the \$16-18 per hundredweight range since 2015, keeping profit margins small. Corn and soybeans are losing money for many farmers. Prices paid for Wisconsin cranberries have dropped by 39 percent since 2012.

What does all this mean for our rural agriculture areas? According to agricultural lenders:

- 20 percent of farms have cash flow problems
- 30 percent have had to borrow more
- 30 percent have had to restructure loans
- 20 percent are near bankruptcy

It's not just farms that are hurting in our rural communities. Rural schools are disproportionately hamstrung by the school funding formula. Rural areas are struggling to attract needed medical professionals, which delays and diminishes care for patients in hospitals, nursing homes and dentist offices.

Rural communities lack adequate day care facilities, hindering the ability of parents to work while raising a family. Finally, safety is a pressing concern as many communities contend with low availability of emergency medical personnel and firefighters.

How can we help these struggling rural communities? First, we need to help businesses create and add good-paying jobs. According to a report by the Economic Innovation Group, only nine percent of new jobs being created across the country are happening in rural areas. Secondly, we can ensure that rural areas have access to broadband Internet access. Leaving those communities behind places them at a competitive disadvantage.

As a member of the Dairy Task Force 2.0, I co-authored legislation that launches a pilot program to increase access to business capital in rural areas. Using existing funds, \$3 million in loan guarantee authority would support rural development projects and guarantee up to 25 percent of the loan or \$750,000, whichever is less.

This bill is necessary because current lending practices favor development projects in big cities, and the gap in available capital access in rural parts of the state delay some business expansions. The bill passed the Senate unanimously and now heads to the Assembly.

Through targeted investments in better roads, schools and high-speed Internet, we can attract businesses to all communities across Wisconsin. New jobs and businesses will help these communities survive and thrive through the 21st century.

**-END-**

*State Rep. Don Vruwink represents parts of Rock, Walworth, Jefferson, and Dane counties. These include the communities of Whitewater, Milton, Edgerton, Footville, the Town of Janesville, part of the Village of Oregon, and surrounding townships. He can be reached at 608-266-3790, [Rep.Vruwink@legis.wisconsin.gov](mailto:Rep.Vruwink@legis.wisconsin.gov), and P.O. Box 8953, Madison WI 53708.*