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Farm Finances and Rural Infrastructure Need Help, Lawmakers Say

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Farm-state lawmakers are pushing for a share of the economic stimulus package, to fund job-creating rural infrastructure and technology projects and to free up credit for farmers.

The House Agriculture Committee identified what it described as urgent needs, including \$80 million in farm loan guarantees. Meanwhile, Senate Agriculture Chairman Tom Harkin, D-Iowa, is recommending that the economic recovery plan include \$2 billion for rural water and wastewater treatment systems.

Other farm-belt lawmakers are proposing spending on high-speed Internet services to provide rural Americans with such services as distance learning and telemedicine.

“The challenge is to make sure that, once again, rural America isn’t overlooked,” said Rep. Mike McIntyre, D-N.C., who was chairman of the House Agriculture Subcommittee on Specialty Crops, Rural Development and Foreign Agriculture in the previous Congress. “It is assumed that higher concentrations of citizens should get a higher concentration of attention.”

House Agriculture Chairman Collin C. Peterson, D-Minn., said aiding rural America is important to the national economy.

“If you cause trouble in agriculture, you’re going to raise food prices,” Peterson said. “That’ll be the effect of that.”

Lawmakers say the credit crunch has especially hurt rural America, where the confluence of falling crop prices, decreased exports and the global recession have made banks wary of lending to farmers.

Compounding the problem, many farmers lost money because they locked in production costs for the spring planting season before fertilizer and fuel prices fell, said Purdue University agricultural economist Chris Hurt.

Federal guarantees would allow banks and credit unions to provide credit to farmers who are not qualified to borrow under normal underwriting criteria. Aides said \$80 million in government guarantees would translate into \$600 million in loans.

McIntyre said the economic stimulus package should allocate \$1.4 billion to fund backlogged upgrades to water, wastewater and community facilities projects. The \$1.4 billion ultimately would result in a \$4.8 billion investment because many of the projects are funded by loans that communities repay to the federal government, aides said.

Rep. Frank D. Lucas, R-Okla., the Agriculture Committee's ranking Republican, advocated \$840 million for watershed repairs and new construction in the legislation, a GOP committee aide said. Thousands of flood control dams across the nation are approaching the end of their life expectancies and need to be rehabilitated, the aide added.

Separately, House Agriculture Appropriations Subcommittee Chairwoman Rosa DeLauro, D-Conn., said Congress should make rural investments, such as expanding broadband service, that simultaneously provide short-term relief and long-term economic sustainability.

"That's the area where it's least available," said DeLauro, co-chairwoman of the House Democratic Steering and Policy Committee. "Teleconferencing, telemedicine, long-distance learning — those are all good jobs."