



Federal Rural Development in Northern Michigan and the Upper Peninsula



**CENTER for
RURAL AFFAIRS**
Lyons, NE 68038 Population 963

Center for Rural Affairs
Rural Research and Analysis Program
October 2011

Farm programs are getting the most attention as the debate begins in Washington over the 2012 federal Farm Bill. However, rural development programs are bringing more dollars into northern Michigan and the Upper Peninsula to fund important projects for their communities and residents.

This analysis focuses on a region comprised of the Upper Peninsula and northern Michigan (see map below). The 42 county region has a 2010 Census population of 954,308, barely an increase (0.2 percent) from the 2000 Census. The counties of the Upper Peninsula alone experienced a 2 percent population decline from 2000 to 2010. Over half the counties in the entire region (24 of 42) lost population from 2000 to 2010.



Rural Development Data

We found that USDA rural development programs forward a significantly greater amount of funding into the region than do USDA farm programs. The table below outlines USDA rural development spending in the northern Michigan and Upper Peninsula regions for 2007, 2008 and 2009, the three most recent years for which data is available.¹

Type ²	2007	2008	2009
Grants	\$ 13,764,370	\$ 23,428,759	\$ 66,204,922
Loans	\$168,169,940	\$199,112,462	\$245,810,540
Direct Payments to Individuals	\$ 6,783,904	\$ 6,009,068	\$ 4,291,164
Total	\$188,718,214	\$228,550,289	\$316,306,626

Table 1. USDA Rural Development Spending in Northern Michigan and Upper Peninsula, 2007-2009

During this three-year period over \$733 million in USDA rural development assistance came to

¹U.S. Census Bureau, *Consolidated Federal Funds Report*, 2007, 2008 and 2009.

²Loans include both direct and guaranteed loans and are almost exclusively housing and utility (water, sewer and telecommunications) projects. Direct payments to individuals are primarily low-income rental housing assistance payments.

projects, communities and residents of northern Michigan and the Upper Peninsula, including over \$612 million in loans, \$17 million in direct payments to individuals and \$103 million in rural development grants.

By comparison, during a comparable three-year period \$64 million in USDA farm program payments based on crop production were paid into the northern Michigan and Upper Peninsula regions. The table below outlines USDA farm program spending in northern Michigan and the Upper Peninsula for 2008, 2009 and 2010, the three most recent years for which data is available.³

<i>Type</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>
Disaster Payments	\$9,633,915	\$ 754,574	\$6,465,057
Commodity Payments	\$4,789,292	\$ 17,887,136	\$5,694,255
Crop Insurance Subsidies	\$6,097,186	\$ 6,677,093	\$6,309,836
TOTAL	\$20,520,393	\$25,318,803	\$18,469,148

Table 2. USDA Farm Program Payments in Northern Michigan and Upper Peninsula, 2008-2010.

Policy Implications

Farm Bills, as the term implies, have always focused heavily on farm programs. But for the rural citizens of Northern Michigan and the Upper Peninsula, the U.S. Department of Agriculture rural development programs authorized by the farm bill pack more financial and job creation heft.

The rural development programs reflected in this analysis include small business development programs, value added agriculture programs, community facility programs, water and sewer programs and programs to develop owner occupied and rental housing for rural people. Each of these programs creates jobs at a time when the residents of Northern Michigan and the Upper Peninsula badly need them.

That makes these programs and funding of them, worthy of serious consideration as Congress takes up development of a new Farm Bill in 2012.

ABOUT THE CENTER FOR RURAL AFFAIRS

This is a publication of the Rural Research and Analysis Program of the Center for Rural Affairs. Established in 1973, the Center for Rural Affairs is a private, nonprofit organization with a mission to establish strong rural communities, social and economic justice, environmental stewardship, and genuine opportunity for all while engaging people in decisions that affect the quality of their lives and the future of their communities.

© 2011, Center for Rural Affairs, 145 Main Street, P.O. Box 136 Lyons, Nebraska, USA 68038

³Data is from the Environmental Working Group 2011 *Farm Subsidy Database*

ABOUT THE CENTER FOR RURAL AFFAIRS

This is a publication of the Rural Research and Analysis Program of the Center for Rural Affairs. Established in 1973, the Center for Rural Affairs is a private, nonprofit organization with a mission to establish strong rural communities, social and economic justice, environmental stewardship, and genuine opportunity for all while engaging people in decisions that affect the quality of their lives and the future of their communities.

© 2011, Center for Rural Affairs, 145 Main Street, P.O. Box 136 Lyons, Nebraska, USA 68038