



Committed to the future of rural communities.

WISCONSIN

Annual Report FY 2003





President of the United States of America

“We’re meeting the challenges to America. We’re strengthening our economy...And we’re not going to leave our work half-finished. We’ll press on to turn our recovery into lasting growth and opportunity that reaches every corner of America. By the courage of the American people, this great nation will prosper.” - - - Excerpt from the President’s Talking Action to Strengthen America’s Economy address - January 7, 2003

~ President George W. Bush



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Secretary of Agriculture

Ann M. Venemann



The Bush Administration has made great strides in supporting investments in America's rural communities. From the successful implementation of the 2002 Farm Bill to passage of the Healthy Forest Restoration Act, President Bush's policies are helping strengthen the economic health of rural America.

In 2003, we saw record net cash farm income, which is expected to total \$65 million, up 33 percent over 2002, and strong exports, which are expected to reach \$56.2 billion for 2003. The demand for farm products is being spurred by the President's tax cuts, low interest rates and inflation and decline in the value of the dollar. Expanding payrolls and declining unemployment in the coming year are expected to further accelerate food demand.

Also fueling this growth are the programs being implemented by USDA's Rural Development. Through USDA's Rural Development programs, it is estimated that over 510,000 jobs have been created or saved since the beginning of the Bush Administration. USDA has invested nearly \$2.5 billion for rural business development in the form of loans, grants and technical assistance.

We are also working with local communities to build and strengthen economic development partnerships with state and local governments. Some \$183 million has been invested in Empowerment Zones and Enterprise Communities (EZ/ECs). This investment is complemented by the leveraging of USDA funds to help attract \$422 million in other federal investments and \$739 million in non-federal investments to EZ/ECs and other supported communities.

To improve economic and community development opportunities in underserved rural areas, the Administration has entered into agreements with 20 National Centers of Excellence and Historically Black Colleges and Universities to advance business development through improved information technologies and entrepreneurial skills training.

Major investments have been made in developing value-added industries, with a focus on promoting renewable energy. Over \$35 million has been provided to support the development and marketing of renewable energy and the creation of energy efficient systems in rural areas.

Rural infrastructure, such as education, healthcare, telecommunications, water treatment and community facilities, has been supported by more than \$13 billion in grants and loans. More than \$10.2 billion has been invested in rural housing, much of which supports the President's ambitious goal to increase minority homeownership by 5.5 million by 2010.

As we look to the future, we remain dedicated to ensuring that investments in rural Wisconsin continue to bring new economic opportunities and an improved quality of life to rural families and communities.

Acting Under Secretary for Rural Development

"Citizens and community leaders throughout rural America share a common desire to bring economic opportunity and an improved quality of life to their community. There is a remarkable cohesiveness amongst rural citizens that allows the energy and enthusiasm of local citizens to harness the resources needed to bring solutions to economic and social issues facing their community."

~ Gilbert Gonzales



Message from the State Director

COMMITTED TO THE FUTURE OF RURAL COMMUNITIES

The goal of the Rural Development mission area of the U.S. Department of Agriculture is to help rural Wisconsin communities by creating economic opportunities and enhancing their quality of life.

Certainly, success in this effort can be measured by the delivery of vast financial and technical resources at our disposal. In fact, this past year we returned approximately \$219 million of taxpayer's dollars to support rural communities in Wisconsin in the form of financial and technical assistance – a nearly 30 percent increase over the previous year! Heady numbers to be sure, but it's really only half of the story.

The real story behind our success are the partner organizations that help Rural Development deliver the programs that benefit Wisconsin's rural residents. These complimentary organizations are state agencies like WHEDA, and the Wisconsin Department of Commerce; not-for-profit organizations such as WISCAP and their member affiliates, Southeastern Wisconsin Housing Corporation, WI Council for Affordable Housing, and Catholic Charities; private sector players including Wisconsin Business Bank, Wisconsin Realtors Association, The Wisconsin Rural Water Association and mortgage financiers, such as Associated Mortgage, Inc. and Chase Manhattan.

It is important to recognize that without these partners our ability to help build stronger rural communities would not be as successful. For example, this past year 22 of our lending partners helped deliver in excess of a million dollars each throughout rural Wisconsin resulting in nearly 1,600 families being homeowners. We are proud to count them among an elite group we call the "Million Dollar Lenders."

Further, by partnering with state and local agencies, we provided infrastructure development and expansion that resulted in better community facilities and protection services, safer water supplies, the proper disposal of waste water and better housing across rural areas of the state. Rural Development loans and grants assisting business expansion and start-up was key to creating and sustaining over 2,300 jobs during the past fiscal year.

Now, as you read through this annual report, you may be astounded by the sheer volume of assistance that has been delivered to Wisconsin's rural residents. But to me, the numbers, charts and graphs herein represent a collective effort by our partners and our employees to create economic opportunities and enhance the quality of life for our rural neighbors.

When President Bush took office, he challenged those of us in the federal government to be, among other things, "results oriented."

Well, the results of the past year are in and I believe Rural Development is meeting the President's mark. Yet we can do better - and we will. *Today's milestone is tomorrow's benchmark.*

Rest assured, Rural Development venture capital and technical assistance will be available as we work to promote a healthy and viable rural Wisconsin.

On behalf of Rural Development and our employees, I would like to thank the many partners throughout the state who have worked closely with us to meet the challenges we face in rural Wisconsin.

Together we remain, "committed to the future of rural communities."



~ Frank J. Frassetto, State Director

RURAL UTILITY PROGRAMS

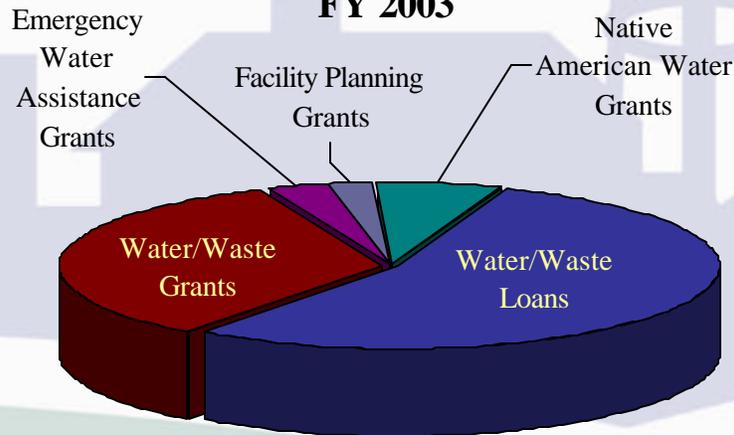


Rural Utility Programs administer various infrastructure programs throughout Wisconsin to improve the quality of life and promote economic development to its rural residents. Through project financing and technical assistance, USDA Rural Development builds infrastructure to assist rural areas with electricity, water treatment, wastewater disposal and telecommunications needs. Rural Utility Programs administer a water and wastewater grant and loan program to ensure safe and clean drinking water and sanitary disposal of wastewater. The Distance Learning and Telecommunication program, which strives to meet the educational and health needs of rural communities, is also administered by Rural Development Nationwide.

In fiscal year 2003 Rural Development was able to improve the quality of life in many Wisconsin rural communities. Rural Utilities Programs provided over \$26,585,390 in loans and grants to 21 projects, serving 10,820 rural residents with clean drinking water and modern sewer facilities.

Rural Utility Programs Activity

FY 2003



Earth Day 2003

In celebration of Earth Day 2003, Rural Development joined members of the Johnsborg Sanitary District and local leaders at the site of construction of a new wastewater treatment facility to commemorate the beginning of a cleaner environment for residents in the new district.

Rural Development awarded the Johnsborg Sanitary District over \$2 million in low interest loans and a \$1.1 million grant to construct a new wastewater collection system with regional treatment by the near by City of Fond du Lac. The sanitary district, which is a part of the lake Michigan watershed, has a long history of documented contamination problems.

The creation of this new system will improve the quality of life for area residents by alleviating unsanitary conditions and improving the surrounding environment by stopping the contamination of the Manitowoc River and ground water. The system will also eliminate the discharge of sewage into ditches and nearby wetlands.



RURAL HOUSING PROGRAMS

Rural Housing Programs provide a number of homeownership opportunities to rural Wisconsinites, as well as programs for home renovations and repair. Rural Development's Rural Housing Programs also make loans available to finance the building, construction, and site development of Multi-Family Housing, along with providing rental assistance to residents of the Programs' multi-family projects to assure affordable rent payments.

The Rural Housing Programs have a wide range of services, but our goal is to provide safe, well built, affordable housing opportunities for rural Wisconsin families, by providing loans and grants. Rural Development's Rural Housing Programs are dedicated in assisting families in building better lives and "Building a Better America".

Single Family Housing



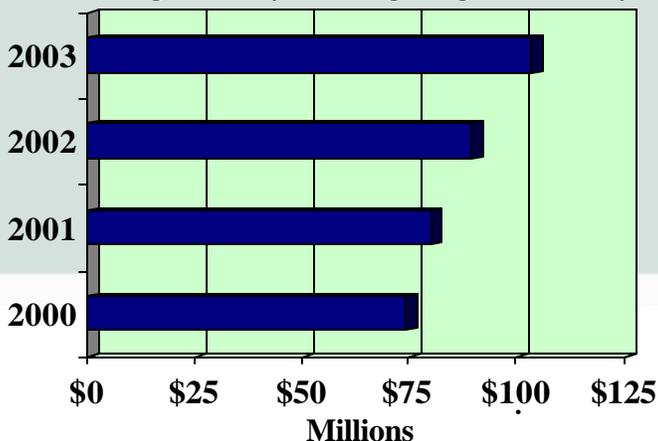
The Single Family Housing (SFH) Program offers homeownership financing and home improvement loans and grants for individuals and families in rural areas. Our homeownership financing is provided at favorable rates and terms through a loan from a private financial institution and guaranteed by Rural Development through Rural Housing Programs or by a direct loan with Rural Development. Home Repair Loans and Grants provide funds to elderly and low income homeowners for repairs, to improve or modernize a home, remove health and safety hazards, or to make homes accessible for people with disabilities. Homeowners who are at

least 62 years old and unable to repay a loan can receive home improvement grants up to \$7,500.

In Fiscal Year 2003 Rural Development obligated \$103,406,293, assisting 1,807 families obtain a home of their own through our Guaranteed Rural Housing (GRH) Program. In addition, our Direct Home Loan Program assisted 268 families to purchase homes, with a total funding of \$23.8 million. Rural Development also helped 247 households by providing \$1,321,789 in loans and grants to people in need of critical home repairs or improvements.

Another Record Year

Single Family Housing Program Activity



Self-Help Housing Program

Many Rural Wisconsin Families have achieved the dream of homeownership through Mutual Self-Help Housing Program. Under Rural Development's Self-Help Program, groups of 4-6 families provide a substantial portion of the labor involved in building each other's homes under the guidance of a qualified supervisor. This "sweat equity" reduces the total cost of purchasing a home. Allowing many people who may not be able to afford it otherwise, achieve the dream of homeownership.

RURAL HOUSING PROGRAMS

Multi-Family Housing

The Multi-Family Housing (MFH) Program of Rural Development provides safe housing in an apartment setting for persons with low incomes and for those age 62 and older. Depending on income some families and individuals may qualify for assistance or subsidies to help pay rent. MFH programs include Rural Rental Housing (RRH) Loans, Farm Labor Housing and Housing Preservation Grants (HPG).

RRH loans are made to finance building construction and site development of multi-family units and can be made to construct elderly units reserved for people age 62 and over.

The Farm Labor Housing Program offers grants and loans to finance low cost housing for domestic farm labor. The funds may be used to build, buy, improve, or repair farm labor housing and provide related facilities.

The HPG Program provides grants to non-profit organizations, Native American Indian Tribes and other government agencies who help low and very low income homeowners to repair and rehabilitate their homes. The program encourages applicants to match funds with partners, enabling Rural Development to help as many people as possible.

During Fiscal Year 2003, Rural Development assisted with over \$12 million in rental subsidies and four organizations received funding through the HPG Program totaling over \$240,000 and helping 32 families. Currently Rural Development's RRH Program provides over 11,000 apartments to more than 25,000 Wisconsinites.



Rural Housing Programs FY 03 Activity

Guaranteed Rural Housing Loans	\$103,818,738
Direct 502 Loans	\$23,669,643
504 Loans & Grants	\$1,221,257
Self-Help Housing	\$938,240
Housing Preservation Grants	\$240,309
Rural Rental Housing	\$4,837,714
Rural Rental Assistance	\$12,335,173



Five Star Commitment to Expand Rural And Minority Homeownership *Meeting the President's Goal*

Goal: Five percent of homeownership loans made to minority families

Met: **6.34 percent** of the 502 Direct Loans were made to rural minority individuals or families.

Goal: Five percent of all direct loans made in the self-help program

Met: **6 percent** of all direct loans were made for the Self-Help Program to rural minority families.

RURAL BUSINESS-COOPERATIVE PROGRAMS



The mission of the Rural Business-Cooperative Programs are to enhance the quality of life for all rural Wisconsinites by providing leadership in building competitive businesses and cooperatives that can develop and prosper in the global marketplace. Rural Development's Rural Business-Cooperative Programs accomplish this by partnering with the private sector and community based organizations to provide financial assistance and business planning by conducting research into economic issues, administering technical assistance, and providing cooperative educational materials to the public. The financial resources are leveraged with those of other public and private lenders to meet business and credit needs in under served areas.

Rural Business-Cooperative Programs administer loan guarantees, through the Business and Industry Guarantee Loans (B&I) and business development grants and loans through Rural Business Enterprise Grants (RBEG), Rural Business Opportunity Grants (RBOG), Rural Economic Development Loans and Grants (REDLG). Rural Development's Business Programs also help to create and preserve the quality of jobs and promote a clean environment.

Rural Business-Cooperative Programs Summary FY '03

Rural Economic Development Loan/Grant (REDLG)

Awarded \$450,000 in loans.

Rural Business Enterprise Grant (RBEG)

Invested \$1,102,740 in 14 projects to finance and facilitate the development of small and emerging private business enterprises.

Renewable Energy Grants

Awarded grants to 11 projects totaling over \$1.7 million. Each project generating adequate electricity to power 1,750 homes.

Rural Business Opportunity Grant (RBOG)

Invested \$28,096 to provide business opportunities to rural Wisconsin.

Business & Industry Guaranteed Loan (B&I)

The B&I program helps local lenders finance quality rural businesses that will provide lasting community benefits. In FY 2003 Rural Business Programs obligated 14 Business and Industry Guaranteed Loans totaling \$37,767,750 and provided 1,648 jobs.

Cooperative Development

During Fiscal Year '03 Rural Development awarded a Rural Cooperative Development Grant in the amount of \$325,000 and provided technical assistance to 8 cooperatives including assisting in the incorporation of three new cooperatives: Professional Loggers Cooperative, Crossroads Specialty Food Processing Cooperative, and Partners in Forestry Cooperative. These cooperatives created a total of 93 jobs, assisted 23 small businesses and provided goods and services to 419 rural residents.



Overall in FY 2003 Wisconsin's Rural Business Programs financed 51 projects totaling \$42,289,108, assisted 261 businesses and created or saved 2,320 jobs.

RURAL BUSINESS-COOPERATIVE PROGRAMS

Community Facilities

Value-Added Producer Grants

The primary objective of the Value-Added Producer Grant (VAPG) Program is to assist eligible independent producers of agricultural commodities, agricultural producer groups/cooperatives, and majority owned producer based business ventures in developing business plans, preparing feasibility studies, conducting market research and acquiring working capital in order to create viable marketing opportunities.

During Fiscal Year 2003 nine Wisconsin projects received Value-Added Producer Grants totaling \$899,912 and assisted 2,441 agricultural producers.



Rural Development has made important contributions to the economic welfare of rural communities through its Community Facility Loan and Grant Program. Public bodies, non-profit organizations and federally recognized American Indian Tribes may use these funds to construct or improve essential community facilities such as fire, police, and other public safety services, health care clinics, elderly and child care centers and schools. It is through the Community Facility financing that Rural Development seeks to ensure that these facilities are readily available to all rural Wisconsin areas. Loan and/or grant funds may be used to purchase, construct, enlarge or improve such facilities and can include costs to acquire land for a facility, pay professional fees or to purchase needed equipment.

This past year Wisconsin Rural Development obligated over \$2.3 million in Community Facility Loans and over \$1.2 million in grants to 15 projects serving approximately 35,080 citizens and creating or saving 106 jobs.

The 15 projects included expansion to health care facilities, wellness centers, fire stations and equipment, college facilities and student housing.

RURAL DEVELOPMENT PROGRAM ACTIVITY SUMMARY 2003

RURAL UTILITY PROGRAMS

Water/Waste Loans	\$14,471,770
Water/Waste Grants	10,595,620
Emergency Water Assistance Grants	70,000
Facility Planning Grants	27,000
Native American Water Grants	1,421,000
TOTAL	\$26,585,390

RURAL BUSINESS-COOPERATIVE PROGRAMS

Rural Business Enterprise Grants	\$1,102,740
Rural Business Opportunity Grants	28,096
Business & Industry Guaranteed Loans	37,767,750
Rural Economic Development Loans/Grants	450,000
Value-Added Producer Grants	899,912
Renewable Energy Grants	1,715,610
Rural Cooperative Development Grants	325,000
TOTAL	\$42,289,108

RURAL HOUSING PROGRAMS

Guaranteed Rural Housing Loans	\$103,818,738
502 Direct Home Loans	23,669,643
504 Repair Loans/Grants	1,221,257
Self-Help Technical Assistance Grants	938,240
515 New Construction	1,000,000
515 Repair/Rehab	1,565,000
Incentive Loans	2,133,014
On Farm Labor Housing	139,700
Housing Preservation Grants	240,309
Rural Rental Assistance	12,335,173
Subtotal	\$147,061,074
Community Facility Loans	\$2,358,180
Community Facility Grants	1,241,222
Subtotal	\$3,559,402
TOTAL	\$150,660,476

Total Funds Obligated: \$219,531,974

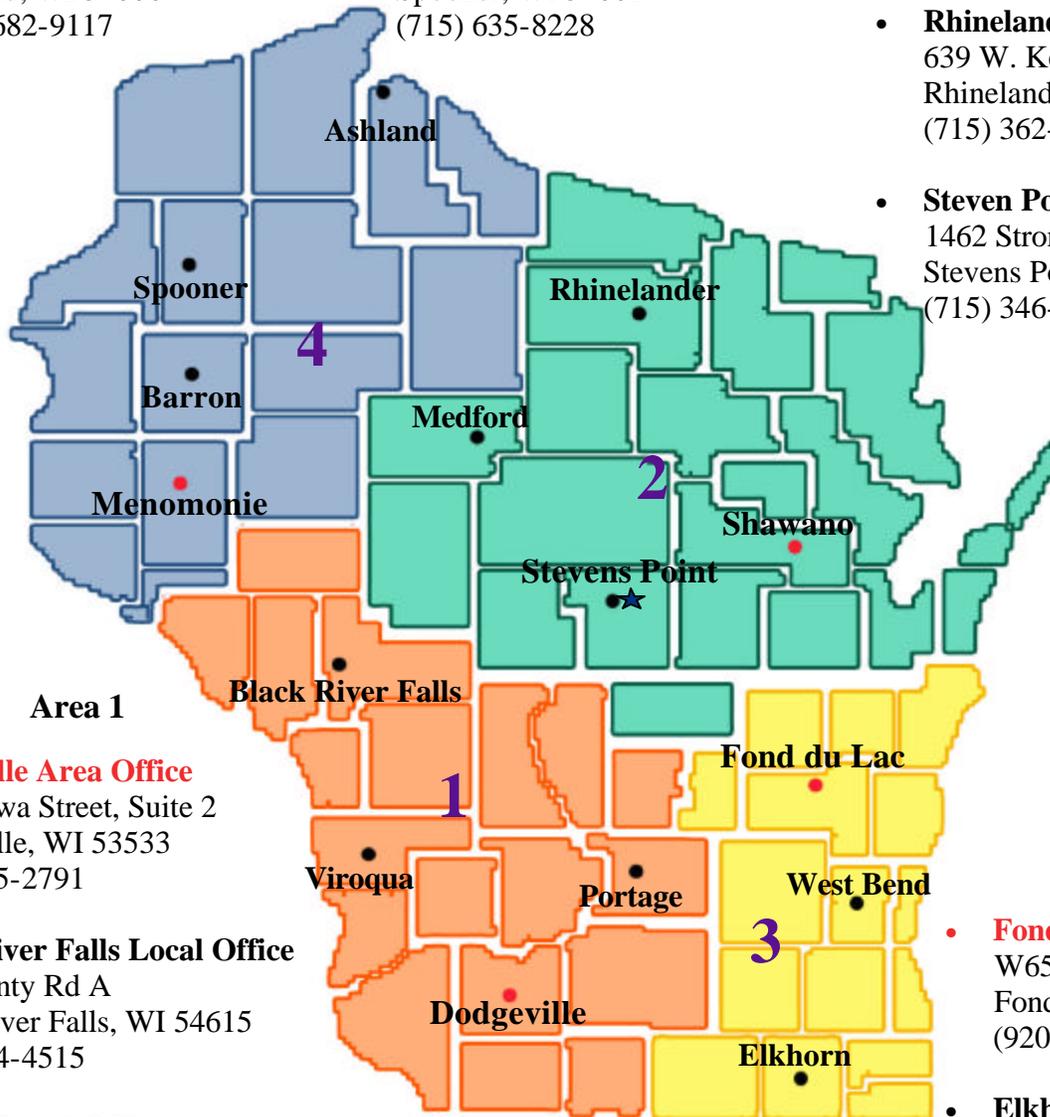
WI Rural Development Offices

Area 2

Area 4

- **Menomonie Area Office**
390 Red Cedar Street, Suite G
Menomonie, WI 54751
(715) 232-2614
- **Ashland Local Office**
2014 third Street, West
Ashland, WI 54806
(715) 682-9117
- **Barron Local Office**
330 E. LaSalle Ave., Room 100
Barron, WI 54806
(715) 537-5645
- **Spooner Local Office**
206 Vine Street
Spooner, WI 54801
(715) 635-8228

- **Shawano Area Office**
603B Lakeland Road
Shawano, WI 54166
(715) 524-8522
- **Medford Local Office**
925 Donald Street, Room 104
Medford, WI 54451
(715) 346-1313
- **Rhineland Local Office**
639 W. Kemp Street
Rhineland, WI 54501
(715) 362-5941
- **Steven Point Local Office**
1462 Strongs Avenue
Stevens Point, WI 54481
(715) 346-1313



Area 1

- **Dodgeville Area Office**
138 S Iowa Street, Suite 2
Dodgeville, WI 53533
(608) 935-2791
- **Black River Falls Local Office**
311 County Rd A
Black River Falls, WI 54615
(715) 284-4515
- **Portage Local Office**
2912 Red Fox Run
Portage, WI 53901
(608) 742-5361
- **Viroqua Local Office**
220 Airport Road
Viroqua, WI 54665
(608) 637-2183

Area 3

- **Fond du Lac Area Office**
W6529 Forest Avenue
Fond du Lac, WI 54937
(920) 907-2976
- **Elkhorn Local Office**
225 O'Conner Drive
Elkhorn, WI 53121
(262) 723-3216
- **West Bend Local Office**
333 E. Washington Street
Suite 3000
West Bend, WI 53095
(262) 335-6850

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