

CENTER *for* RURAL AFFAIRS



A newsletter surveying national events affecting rural America.

VALUES. WORTH. ACTION.

What Would Rural America Look Like If ?

Periodically, over the last 18 months, we have asked a question in this newsletter, a question that has both intrigued and perturbed – and probably more of the latter. We have asked, what would it look like if rural America truly mattered? If rural people and rural places were given the credit, and standing, that they deserve – not more, not less, but a just hearing and fair consideration – then what would it look like?

Public policies have, often as not, been the enemy of rural America. But policies are choices, choices made by people, choices that can be reversed by people of good will and common sense. What kind of policy choices would reverse the ominous trends that we see in rural America?

Development Matters

If you received a renewal notice with this month’s newsletter, please fill out the enclosed envelope and send your renewal, along with a contribution if possible. In order to secure a farm bill that invests in the long-term future of family farms, ranches, and rural communities, we need as many people as possible to join us in raising their voices for rural America.

We also have a new way for our supporters to contribute. At the behest of donors, we have an automatic withdrawal for those who prefer to support the Center with a monthly donation. Many people find that making a smaller monthly donation is a way to make a larger annual gift. If you are interested in becoming part of our Sustaining Circle, please contact *John Crabtree*.

Consider Woodbury County, Iowa. Over the last few years Woodbury County has worked to make different choices. In June 2005, the Woodbury County Board of Supervisors passed an ordinance, a first in the nation local policy that provides a property tax incentive to landowners who convert farmland to certified organic production.

But they did not stop there. Woodbury County and Sioux City have supported and promoted their Floyd Boulevard Farmers Market. And the county implemented a local food buying policy that seeks to ensure that tax dollars for food purchases are spent on food that is organically produced and processed within 100 miles of the courthouse in Sioux City.

Western Iowa Technical College, located in Sioux City, now offers a degree program in organic agriculture. The Iowa Legislature has considered making an organic property tax incentive available statewide. Other counties from as far away as Florida are considering adopting some of Woodbury

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REAP Online Loans

Launched in the fall of 2005, the REAP Online Lending System has greatly improved the Center’s outreach and ability to work with entrepreneurs across rural Nebraska. REAP is our acclaimed full-service, statewide rural small business development program. It offers loans, training, technical assistance, and networking for micro businesses, defined as those with five or fewer employees.

The switch to an online loan application has increased the time efficiency of REAP staff in assembling paperwork and has provided greater access to loans for businesses in every rural area in Nebraska. Implications of the growth in online lending for the microenterprise field have included better access to capital and technical assistance for micro businesses, improved staff capacity and timeliness of service, and increased client numbers.

“The Center’s REAP program continually strives to achieve maximum scale in Nebraska on a statewide rural basis,” said *Jeff Reynolds*, REAP Program Director. Jeff added, “The REAP Online Lending System is another tool in reaching as many entrepreneurs needing small business loans as possible and, at the same time, improving the overall capacity and efficiency of the REAP program.”

The REAP Online Lending System includes a web-based micro-loan application that is user friendly. For REAP loans up to \$10,000, the online application serves as the complete loan application. For REAP loans from \$10,001 to

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Sponsors Needed for Legislation to Enhance Fair Livestock Markets

A small group of bipartisan senators has introduced legislation to ban packer ownership of livestock – other supporters are needed

The 2007 Farm Bill debate is well underway, with bills being introduced and senators and representatives beginning to define their positions. We are working to ensure those positions include strong support for small and mid-size farmers and ranchers.

When it comes to the issue of ensuring fair and equitable markets for small and mid-size family farmers and ranchers who raise livestock, there are some real leaders in the Senate who have introduced important legislation.

On January 16, 2007, Senator *Chuck Grassley* (R-IA), joined by Senators *Michael Enzi* (R-WY), *Byron Dorgan* (D-ND), *Tom Harkin* (D-IA), and *Claire McCaskill* (D-MO) introduced S. 305, a measure that would make it unlawful for packers to own, feed, or control livestock.

On February 15, 2007, Senator *Tom Harkin* (D-IA) introduced the “Competitive and Fair Agricultural Markets Act,” which seeks to create better enforcement mechanisms through USDA for livestock markets as well as protections for those using production contracts for agricultural commodities. Joining Senator Harkin on this bill are Senators *Mike Enzi* (R-WY), *Craig Thomas* (R-WY), *Byron Dorgan* (D-ND), *Russ Feingold* (D-WI), *Claire McCaskill* (D-MO), and *Max Baucus* (D-MT).

These senators should be applauded. They not only say they will fight for family farmers and ranchers, they have proved as good as their word by offering legislation to increase competitiveness in livestock markets and ban packers from owning livestock.

Several other senators and representatives say they support small and mid-size family farmers and ranchers. We have yet to see a leader emerge on these issues in the House of Representatives. And where are the other senators who proclaim support for the small and mid-size family farmer and rancher?

Your guess is as good as ours, and it is imperative that they hear from their constituents on these issues. Tell them you want them to take a real stand for small and mid-size family farmers and ranchers. Tell them they should support a federal ban on packer ownership of livestock and a comprehensive competition title in the farm bill.

Contact: Traci Bruckner, by phone at 402.687.2103 x 1016, or by email at tracib@cfra.org for more information.

Online lending saves time and resources ...

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\$35,000, additional steps are required, and the online application serves as a pre-application.

REAP staff were involved throughout the development process providing ideas on how this system might work. The first two years of operation have been pilot years, with the understanding that the system would need to be improved and enhanced. As a whole, the system has been accessible and has worked very well. Only a few technical glitches have arisen along the way, and any problems have been easily resolved.

The online loan system is currently being enhanced, which will provide for smoother overall operation and easier application navigation for borrowers. If you are a rural Nebraska entrepreneur, you can check it out at www.cfra.org/reap. Select the “Online Lending System” option from the menu on the left.

The online process improves turnaround time, frees more staff time for technical assistance, and streamlines the time involved overall, which benefits both the entrepreneur and REAP. The Center very much wants to help rural businesses succeed. Rural communities are strengthened by developing small, self-employed businesses. It is also the reason REAP strives for continuous improvements and processes like the online lending system.

Contact: Jeff Reynolds, REAP Program Director at 402.656.3091 or jeffr@alltel.net for more information.

Iowa county has visionary leader ...

(Continued from page 1)

County’s policies. But one person with the vision behind all this, *Rob Marqusee*, Woodbury County’s Rural Economic Development Director, concerns himself more with the impact on the local economy, on his home.

“This is all part of my ‘parallel universe’ theory where subsidized markets are called free markets and free markets are called subsidized markets. If we are paying the true cost of food, that’s not a subsidy, that’s paying the true cost of food. When Woodbury County buys local food and invests in local food production, invests in agriculture that returns more of a profit to the local economy, the residents, the taxpayers of Woodbury County win,” Marqusee points out.

Rob Marqusee understands rural economic development in a deeper sense than just about anyone I have ever met. If we choose to understand what rural America would look like if rural people and places truly mattered, perhaps we should look at the direction Woodbury County is heading, or perhaps just talk Rob Marqusee into sharing a little more of his vision with us all.

Contact: John Crabtree, 402.687.2103 x 1010 or johnc@cfra.org with your comments.

Dangerous Times for Natural Amenity Growth

Natural amenity growth relies on abundant land and water resources, and producers who use them wisely should be rewarded for their long-term vision in preserving them for us and future generations

Natural amenities can enhance an agriculture producer's income and preserve the landscape for all of us. In the last few columns, we have discussed how attitudes will need to change to take advantage of natural amenity growth. Discussing change is easier when commodity prices are low and eagerness to do the right thing is stimulated by an economic benefit – a win-win situation.

Nebraskans have a long history of capitalizing on land and water to produce commodities, with notable success. Now that the staple crops of our region, corn and soybeans, have risen in price, signs of ignoring natural amenity growth are already appearing. Land previously taken out of production and put into reserve programs is sought after to go back into commodity production.

So what happens to our discussion of economic growth associated with natural amenities? First, and most importantly, any meaningful change will require a shift in attitude and behavior. It is so much easier for all of us to be righteous when production agriculture returns are low and the risk of change is less. Now, we must weigh those choices against a higher risk of economic loss.

According to the ECONorthwest study done for Nebraska,

producers are now faced with a preservation decision. Loggers in the Pacific Northwest realized forests could contribute more to the economy if left standing rather than stripped bare and cut into logs.

The timber industry invested in the future and realized the total economy surrounding amenity growth would grow as well. Communities thrived while grocery stores, banks, and other businesses also reaped the benefits of this conscious decision to protect what they have.

Production agriculture is now experiencing a pivotal shift in attitude, and it will be easy for some to slip into a destructive pattern of getting as much as they can out of the land. Fence row to fence row crops will once again be the ultimate goal for some producers, and land exploitation rather than good stewardship now seems more likely than in the past two decades.

We need to find more ways to reward the producer who takes the risk to make sure the natural amenities we enjoy today remain intact and a part of our future and our children's future.



Contact: Michael L. Holton, michaellh@cfra.org or 402.687.2103 x 1015 for more information on rural community development.

CORPORATE FARMING NOTES

Iowa Senate requires meatpackers to buy from independent producers; low feed prices save industrial operations billions of dollars

>> **Meatpackers will have to purchase more of their hogs** from independent family farmers if legislation approved by the Iowa Senate on March 20, 2007, becomes law. SF 504 requires them to purchase at least 25 percent of their hogs from independent farmers.

Senator *Jack Kibbie* (Democrat-Emmetsburg) urged the Senate to pass the bill, saying the market for independent hog producers has almost disappeared. He described signs at packers' unloading docks that say "contract hogs only" and called on the Senate to pass the bill to provide a market for the independent producer.

>> **On February 26, 2007, a Tufts University paper** entitled *Indus-*

trial Livestock Companies' Gains from Low Feed Prices, 1997-2005 was released. Report authors *Timothy Wise* and *Elanor Starmer* estimate that low corn and soybean costs saved industrial hog operations \$8.5 billion and saved the broiler chicken sector \$11.25 billion in feed costs.

The leading hog and poultry firms benefited most from these feeds cost savings, contributing to continued consolidation in both sectors. For example, Smithfield hog production division, the nation's largest pork producer with over one-third of total U.S. production, saved as much as \$283 million per year, or a total of \$2.6 billion over the period from feed cost savings. You can view the full report at <http://ase.tufts.edu/gdae>.

>> **In March scores of farmers, ranchers, and representatives** of the Sustainable Agriculture Coalition, National Campaign for Sustainable Agriculture, Center for Rural Affairs, Western Organization of Resource Councils, and other organizations traveled to Washington to lobby their senators and representatives on a variety of livestock market competition issues.

Although the farmers, ranchers, and growers had a dramatic impact, and several members were moved closer to publicly supporting bills on these issues, at the end of the day, there were still precious few Senate Agriculture Committee members joining Senator Harkin and Senator Grassley on their bills. Read more in the article on page two.

Contact: John Crabtree, johnc@cfra.org or 402.687.2103 x 1010 for more information on the Center's Corporate Farming Notes.

MarketPlace: Opening Doors to Success Was Hugely Successful!

The Center's first annual MarketPlace conference is now over, and it is one for the record books. The event's success was evident from the overflowing parking lot at Kearney's Ramada Inn, the bustling hallways within, and the over 500 people who faced an impending storm to turn out in droves. Attendees of all ages came from 10 states and Canada, including Colorado, Iowa, Kansas, Missouri, Nebraska, Oregon, Utah, South Dakota, Wisconsin, and Wyoming. In Nebraska, 134 communities were represented.

An upbeat atmosphere and feeling of excitement permeated the entire conference. From the red and blue skirted exhibits, 52 of them, to the congregation of folks gathered for the morning, noon, and afternoon speakers, the buzz of excitement held up for most of the day, even as the weather turned less certain for the ride home.

Sessions on marketing and finance were in high demand, though attendance was fairly evenly spread throughout the day's teach-in tracks. Even sessions with fewer audience members reported great discussions and information. For many, it was full-speed ahead for the 10 hours the conference lasted.

The target audience for the conference was rural people with an interest in small business and entrepreneurship. Market-Place evaluations showed that, by and large, we reached that group – around 51 percent of attendees were self-employed. An additional 16 percent want to start a business. About 15 percent of those filling out evaluations were service providers, 5 percent students/teachers, and 13 percent "other."

For an inaugural event, we were extremely pleased with how smoothly the day unfolded. Event evaluations reflected this as well. On a scale of 1 (low) to 4 (high), the conference received an average overall score of 3.5. Overwhelmingly, people found the conference sessions to be the most useful feature.

We also received a lot of good feedback and suggestions for improvement for next time. These included multiple requests to repeat the most popular teach-ins and allow more time for networking. Other practical suggestions like distributing snacks throughout the exhibit hall to encourage traffic flow were received and appreciated as well.

A great deal of credit for the success of the conference goes to the partnerships we developed in bringing the event to Nebraska. A grant from USDA Rural Development helped to make it possible, as did financial and in-kind contributions from GROW Nebraska, Mile Wide Media, the Nebraska Department of Economic Development, the Nebraska Public Power District, and the University of Nebraska's Rural Initiative and Center for Applied Rural Innovation.

Other supporters included Cedar Knox Public Power, Community Lottery Systems, Inc., Huntel Systems, and Omaha Public Power District. Friends included Business Services, Inc., Nebraska Bankers Association, The Economic Development Council of Buffalo County, and B&B Video Productions.



Attendees listen carefully at one of the teach-in sessions in the main room. There were 30 teach-ins in all.



Martin Kleinschmit leads a teach-in on renewable energy and conservation. There were two sessions focused on energy at the conference.



GROW Nebraska helped to run the MarketPlace store. It was beautifully decked out with woody florals and other Nebraska products.



Chuck Hassebrook visits with guests after his noon keynote speech.

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A view of the exhibit hall, which often filled up with people networking.

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Kathie Starkweather was the driving force at the Center for Rural Affairs in bringing this event together, ably assisted by others on our staff. *Joy Marshall*, Performance Planners, deftly managed MarketPlace conference planning for us from her home office in Arthur, Nebraska.

Just about the entire Center staff had a role in MarketPlace: Opening Doors to Success, as did our volunteer presenters and moderators representing other organizations and specialties. We also appreciate the guidance provided by North Dakota's MarketPlace for Entrepreneurs, which we patterned our conference after. Senator *Kent Conrad*, *Scott Stofferahn*, and *Marilyn Kipp* were particularly helpful.

The Center has applied for another grant to help bring MarketPlace 2008 to Nebraska. Several other states are also interested in duplicating the conference. If you would like more information about MarketPlace, contact Kathie Starkweather at 402.687.2104 x 1014 or kathies@cfra.org.

You can find information about this year's conference at <http://www.marketplacenebraska.org>. And stay tuned to the Center's site, www.cfra.org for updates on this and other Center activities (see the box below for an update on the Center's website).

Thanks to Jeff Leanna for taking the MarketPlace photos and to Jeff and Brian Depew for their technical services throughout the day.

Online at the Center for Rural Affairs

The Center unveiled a new website in early March. The new site features improved navigation and fresh content. We are also using new software to manage the site, and we are redoubling our efforts to deliver relevant online content in an easy to use format.

Visit the site at www.cfra.org, and let us know what you think. Whether you are a regular user, or a first time visitor, your feedback will help us build a more effective website.

In March we also rolled out new online action tools to help in our payment limits and rural development campaigns. New online action tools will help us engage more constituents directly with their representatives.

We plan to continue to develop and refine the online aspect of our work. Sign up for the Center's National Rural Action Network at www.cfra.org/nran, if you want to be part of the process.

Contact: Brian Depew, 402.687.2103 x 1020 or by email, briand@cfra.org to comment on the new website.

MarketPlace Quotes

"I wanted to "Thank You" for the MarketPlace event. It was definitely worth closing our store for a day for all the information we received. I believe many, many other attendee's felt the same way. The time spent in attendance delivered three new clients (name tag tipped them off to what we do) and may have made us multi thousands of dollars through "Nebraska Advantage" courtesy of Bill Roe of the Nebraska Department of Revenue.

Great job and thanks for putting this together for all of us; it is sincerely appreciated!"

*– Alan Mais, The Camera Doctor,
www.cameradr.com*

"We just wanted to drop you a note to say "THANK YOU" and tell you how much we enjoyed Wednesday's conference. Our two sons, Ryan and Garrett, got just as much out of it as I did.

We really appreciate all the hard work everyone did to pull this off and hope you continue it in the future. Please tell everyone who put their hard work and effort into this event, that it was greatly appreciated!"

– Rebecka Fleischman

Consolidated Schools Lower Participation in After School Activities

Report finds that long bus rides mean less involvement in extra-curricular activities for rural school children in consolidated schools

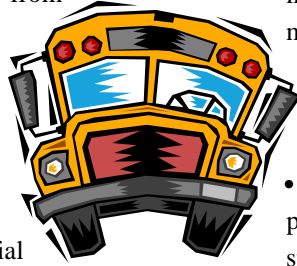
Public education is available to all children across the United States. The quality of that education can vary from state to state and community to community. In rural areas, many differences are apparent.

Yet many rural schools face the same problems: distances between home and school, lack of appropriate state funding, lack of teachers and professional staff with advanced degrees, lack of pre-school and early interventions to those needing special services, and poverty among rural students.

A recent study by the Rural School and Community Trust, *Slow Motion: Traveling by School Bus in Consolidated Districts in West Virginia*, by Lorna Jimerson, Ed.D. indicates other ramifications facing rural schools. Once they have consolidated, rural schools experience more difficulties recruiting students into extra-curricular activities due to their longer bus rides and greater distance to travel between home and school.

Major findings of the report include:

- Bus rides in districts with consolidated high schools are 43 percent longer than in districts that have not consolidated their schools.



- Over 31 percent of students who ride the school bus in consolidated districts have rides of an hour or more each way – significant because the West Virginia state legislature has recommended one hour as the maximum length of bus rides for students, though this is not strictly enforced.
- Long commutes to school mean students participate in fewer extra-curricular activities, and many students participate in no extra-curricular activities at all.

In making the case for small schools, the Center for Rural Affairs and others have long linked involvement in extra-curricular activities to academic success in rural schools – lower dropout rates and higher grade point averages.

You can download a copy of the report at: <http://www.ruraledu.org/slowmotion>. You will be required to create a free user name and password. Information received from the Rural School and Community Trust is very valuable to anyone concerned about rural schools and the issues they face each and every day.

Contact: Kim Preston, kimp@cfra.org or 402.687.2103 x 1022 for more information about the Center's work on school issues.

Winds of Life Project Evolves to “Talent across Nebraska Showcase”

This month we share Haiku poetry from a Lyons resident who remembers windmills from his youth on a Nebraska ranch

Spring is the time when new life is all around us, from the births of farm animals to the sprouting green from the earth and trees to the bouquets of flowers that dot our horizons. Spring in rural America is a time of joy and renewed hope – a time for individual and community revitalization.

The *Winds of Life – Windmills Across Nebraska* project has evolved into a “talent across Nebraska” project. Amazing ideas are the manifestations of creative citizens in communities from the Sandhills to Eastern Nebraska.

Let me share a few descriptive “pictures” of David Armstrong from Lyons, Nebraska, who grew up on a ranch and can still see and hear the life-producing heartbeat of the windmills from his family's land. David's “pictures” are Haiku poems.

“Tall sheet iron windmill
Metronome for the ranch...
Nature sets the speed”

“Ranch meditation
Windmills and butter churns...
Keep count of the breath”

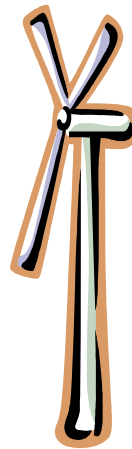
“Sheets parallel lawn
Windmill blades begin to blur...
Keep grip on felt hat”

“Windmill soprano
Barn door keeping bass beat...
Leading symphony”

“Farm full of secrets
Windmill keeps silent watch...
The tales it could tell”

David's talent is that of one person responding to other exciting developments in the windmill project:

- Nebraska's first-ever statewide arts and tourism project



- “The Year of the Windmill” as declared by Governor *Dave Heineman*
- The gift of a poem from Nebraska's Poet Laureate, *Bill Kloefkorn*
- The State Fair's celebration of photographs of Nebraska windmills
- The Historical Society's collection of windmill stories
- The State Library's participation through readings and displays
- Communities celebrating the talents of youth to seniors and skills of artists to welders.

Please let us know what you are doing. Together, we will all celebrate together the revitalization of our towns and talent.

Contact: Barbara Chamness, 402.687.2103 x 1009 or barbarac@cfra.org.

NIFA Financing for Beginning Farmers

For over 20 years, the Nebraska Investment Finance Authority has helped beginning farmers in the state access agricultural loans at reduced interest rates

Since the early 80's the Nebraska Investment Finance Authority (NIFA) has been assisting agricultural Nebraska with its Beginning Farmer/Rancher Program. Not to be confused with the Nebraska Department of Agriculture's program by the same name (a tax credit rental program), NIFA's program is for purchase of agricultural real and personal property.

Agricultural Purpose Only

NIFA loan proceeds need to be used for an agricultural purpose in Nebraska, and the borrower must materially and substantially participate in the agricultural operation. Unlike some other agricultural assistance programs, though, there are no age (other than being at least 19) or experience requirements. The borrower's main or sole source of income doesn't need to come from agriculture.

Interest Is Tax-Exempt

If a borrower can find his/her own lender and can meet the program definition of a beginning farmer or rancher, interest income on the loan will be tax-exempt (both federally and Nebraska state) to the lender, thus enabling them to offer the borrower a reduced interest rate.

That rate and all other loan terms are negotiated purely between the borrower and lender. The loan cannot go beyond 30 years, and the lender's interest rate offered to the borrower has to be below their normal interest rate. Anyone can be the lender: a lending institution such as a bank, a private seller-lender using a land contract, or a private investor lender.

Beginning Farmer Definition

For the borrower to be defined as a beginning farmer or rancher, her/his

net worth cannot be greater than \$500,000 and she/he cannot already own substantial farmland.

Substantial farmland is defined as greater than 30 percent of the farm median size for the county the land is in, or at any time valued at greater than \$125,000. Acre size limits are based on census data, are periodically updated, and are listed in the NIFA program information.

This is referring purely to land used for an agricultural purpose. The value of a homestead on an acreage, for example, is not something that's held against the borrower in comparing to previous ownership limits.

Reduced Interest Rate

Using NIFA's program, the borrower can receive a reduced interest rate on up to \$250,000 for land or permanent agricultural improvements to the land, and on up to \$62,500 for used equipment/machinery or breeding livestock.

The purchase price of the deal may be greater than these amounts, but the amount that exceeds these limits would be financed in a separate loan at the lender's normal rate. Loan proceeds must be going solely to the benefit of the borrower (the loan must be made to an individual borrower/spouse) and not to a partnership or corporation.

Find Out More

Going through the NIFA Beginning Farmer/Rancher Program can take as little as 30-45 days, depending on when an application is submitted in relation to NIFA's regularly scheduled Board of Director's meeting to pass the bond resolution. For more information, contact *Dudley Beyer* at NIFA, dudley.beyer@nifa.org.

More Resources for Beginning Farmers

Three organizations are responsible for most of the beginning farmer work done in Nebraska: the University of Nebraska, the State Department of Agriculture, and the Center for Rural Affairs. The Center created Land Link in the 1990's, and we have been linking new beginners with those looking to pass on their land to eager and willing new faces ever since.

The University of Nebraska has been in the forefront of helping beginners with their finances and providing information in transitioning farms from one generation to another. The State Department of Agriculture's Beginning Farming program has been a source of tax relief for landowners who want to rent land to beginners. All three are active with the National Farm Transition network, a nationwide organization dedicated to these issues both in practice and policy.

Recently the State Department of Agriculture Beginning Farming program implemented a new database to provide more information for beginners trying to access land and also a database for landowners to seek out beginners. To see it, go to www.agr.state.ne.us/ and search for the beginning farmer program under the divisions of government.

You will find a listing of assets and a listing of beginning farmers on the right side of the form. Since it is new, there may not be any listings, but hopefully in time, landowners and beginners will realize the benefit of participating in the state's database. The Center's Land Link database continues to be available as well for information and help.

For more information on the state's beginning farmer programs, contact *Marion Beethe*, mbeethe@agr.ne.gov or call 402.471.6890 or 402.446.4071. Contact *Mike Heavrin*, 402.687.2103 x 1008 or mikeh@cfra.org for more information on the Center for Rural Affairs' Land Link program.



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Rural People Should Demand a Place in the Global Warming Debate

Rural America has much to lose with inaction over climate change and much to gain by acting to become part of the global solution

Beyond a reasonable doubt, the globe is warming. It presents rural America with great risk and opportunity.

Rural people should be at the forefront in demanding action. We have much at stake. We need a place in the debate.

The emerging scientific consensus is sobering. Early this year, an international panel of 2,500 scientists concluded that it is “unequivocal” that global warming is occurring, and it is more than 90 percent probable that it is caused by humans.

The small possibility that global warming is not caused by our actions should not stop us from acting. Farmers and ranchers are used to dealing with risk. You don’t bet the ranch on everything turning out rosy. Those who do are no longer in business.

That we don’t know with any certainty the broader affects on climate – rainfall patterns in particular – is only cause for greater anxiety. We are playing with fire. The three things we do know are great cause for concern.

1) Higher temperatures increase moisture stress and make us more vulnerable to drought.

2) Global warming is prompting an increase in extreme weather events – from downpours to drought. Neither is good.

3) Climate change has the potential to shift weather patterns. Agricultural communities have made investments based on current weather patterns. If the rain shifts elsewhere, the effect may be neutral for the world, but it will be devastating for those communities.

Developing new technology and reducing fossil fuel use to reduce warming come with a price tag. Most economists believe that combating the problem will cost roughly one percent of gross domestic product, according to *The New York Times*, comparable to the spending on the war in Iraq and Afghanistan.

The cost of securing our future in the face of climate change pales in comparison to the cost of not acting and betting the ranch on everything turning out rosy.

And in the end, rural America may reap great economic benefit by grasping the opportunity to be part of the solution to climate change. Efforts to reduce atmospheric carbon dioxide levels are creating opportunities for farmers to be paid to store more carbon in the soil by building soil organic matter levels.

That is a win-win solution. Raising soil organic matter reduces warming as it builds healthier soils that store more water – which helps crops survive high temperatures and drought. And the need for alternative energy is setting off bio-fuel and wind power booms, creating opportunity in rural America.

Rural entrepreneurs have the opportunity to be part of the solution to climate change. By grasping it, we can create a better future for our communities and help solve the world’s most pressing environmental problem.

Agree or disagree? Send your comments, questions, and opinions to Chuck Hassebrook, chuckh@cfra.org or phone him at our Lyons office at 402.687.2103 x 1018.

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You may also correct your mailing address and fax this page to 402.687.2200, or call *Kim Kaup*, 402.687.2100.

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