



Surveying national events affecting rural America since 1973.

Bringing Rural Food Systems to the Table

Current national focus on health and sustainable food provides opportunity to address unique rural food issues.

When I got interested in food systems, I learned everything I could about food access, food justice, and the American food environment. Upon graduating from college in May 2011, I felt prepared to work on any food systems issue I might encounter in my professional life. And then I moved to rural Nebraska.

The end of November marks my first 10 weeks living in Lyons, Nebraska, and the longest period of time I've ever spent outside a major East Coast city. Since joining the Center as an intern and beginning my work on rural food systems, I've learned just how incomplete my food education had been.

Rural food system issues overlap significantly with the urban concerns that dominate the national food discourse, but they have their own complications. Both urban and rural food deserts force people to rely on convenience stores' calorie-rich, nutrient-poor offerings, but only in rural towns do residents face a 100-mile drive to the nearest major grocery.

School systems across the nation stand to benefit from sourcing locally to provide healthy, fresh foods for kids and business opportunities for farmers, but rural districts must find funding and support for these programs in small, remote schools with shrinking enrollment.

Farmers' markets anywhere provide ideal arenas for producers and consumers to help each other economically, environ-



Amy Radding is the Center's Rural Community Foods Intern. She is a recent graduate of Yale, where she majored in biology.

mentally, and nutritionally. But rural markets must combat long distances and far-flung populations to bring together enough vendors and customers for a successful operation.

The current national focus on healthy and sustainable food has created a climate where we can begin to change the food systems that are failing so many Americans. It's time to make sure that the needs of rural America reach the national food systems debate, paving the way to make changes that bring good food to everyone.

Contact me, Amy Radding, at amy@cfra.org or 402.687.2103, ext 1009 to discuss your viewpoint!

Develop Wind Energy the Right Way

If you follow our work, you know the Center is a strong supporter of wind energy. The benefits are multiple.

Wind resources are strong in rural areas, so development means new jobs, tax revenues, and local ownership opportunities in our communities. Bringing more wind online is also critical to reducing the effects of climate change and the instability that changing weather patterns will bring to rural communities.

Our work to encourage wind development includes efforts on three fronts:

- Encourage more wind development in state and federal policy, including policies that create ownership opportunities for people who work on wind farms and support local businesses.
- Monitor transmission regulatory policy to ensure wind energy is given an equal ability to compete on the existing energy grid.
- Ensure that new transmission capacity is built in high-wind resource areas.

Find more information on our clean energy work at <http://www.cfra.org/clean-energy>. For more information, contact Johnathan Hladik, johnnathanh@cfra.org or 402.687.2103 ext. 1022.

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Farmer Fly-in Helps to Promote Local Farms, Food and Jobs Act

A new proposal could improve federal farm bill programs that support local and regional farm and food systems. Called the Local Farms, Food, and Jobs Act, Sen. Sherrod Brown (D-OH) and Rep. Chellie Pingree (D-ME-1) introduced the bill last month. Several other senate and house co-sponsors joined them.

The legislation is designed to help farmers and ranchers engaged in local and regional agriculture. It addresses challenges in production, aggregation, processing, marketing, distribution and risk management. Consumers would see improved access to healthy food and direct and retail markets.

Farmers from around the country flew to Washington to express their support. Harold Stone, a resident of Davenport, Nebraska, participated in the fly-in to promote the bill to the Nebraska delegation. He met with Sen. Johanns and Rep. Smith.

Harold and his wife Barbara created a nonprofit organization called Stones Thoreau, whose mission is to create a regional, sustainable food system. They purchased two main street buildings in Davenport. One will serve as an indoor farmers market, complete with a certified



Harold Stone of the nonprofit Stones Thoreau, pictured right, is a resident of Davenport, Nebraska. He met with Rep. Smith, pictured left, to promote the Local Farms, Food, and Jobs Act to the Nebraska delegation. Access to crop insurance for all food systems was a key concern Stone discussed with the Representative. He also met with Sen. Johanns.

processing area to extend access to locally grown food once the growing season is over.

Crop insurance is a top concern of Harold's. Currently, he has no access to crop insurance, forcing him to take all the risk for his production. Crop insurance should be available and workable for all crop systems.

To successfully develop Stones Thoreau into a local and regional

food hub, he also needs access to more technical assistance. The aim of the Local Farms, Food and Jobs Act is to help folks like Harold who are rebuilding rural economies and igniting community engagement.

Thanks Harold!

For more information, contact me, Traci Bruckner, at tracib@cfra.org or 402.687.2103, ext. 1016.

CENTER *for* RURAL AFFAIRS

This newsletter is available both electronically and in print. To receive it online, sign up at the Center's website, www.cfra.org, or email us at info@cfra.org.

You may also correct your mailing address and fax the back page to 402.687.2200, or call Kim Kaup at the Center for Rural Affairs, 402.687.2100.

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Reader Comment

Community Wealth

My "back-page essay" last month was about building community wealth. Here are two reader's comments:

Sonja Hedlund wrote from the Catskill Mountains of upstate New York that the active participation of residents in the political life of the community is an essential form of community wealth. We agree. She cited the many new faces in the ballot in a recent election, including many women, and issues being actively discussed.

Stephan Mott, a retired professor of Christian Social Ethics, wrote that churches, like schools, are an important element of community wealth. I agree. Thanks Stephan, for pointing it out.

– Chuck Hassebrook, chuckh@cfra.org or 402.687.2103, ext. 1018

Across the Nation A New Look at CFRA.org



California

Golden state to create cottage food law?

Current California law outlaws even bake sales unless they benefit a charity, but local foods advocates are hoping to change this. Mark Stambler, a Los Angeles baker, is looking for a lawmaker to introduce a bill allowing the sale of shelf-stable homemade goods including breads, cookies, cakes, jams, candy, granola, coffee, tea and baking mixes.

California's law would be modeled after an Ohio law, which does not cap how much someone can make from their ventures. Michigan, in contrast, imposes a \$15,000 annual limit. At least 30 states now have laws that allow sales of home-made goods.

About half these states passed laws since the recession began in 2007. By comparison, homemade foods have a \$100 million impact on the economy of West Virginia, which hosts a population of less than 2 million and high poverty rates. The State Department of Agriculture even helps entrepreneurs learn how to prepare and market home-made products.

Kansas

Rural school district outperforming students around the world

According to The Global Report Card, the Waconda School District in North Central Kansas has the nation's second highest math test scores and 18th highest reading test scores. Its students' test scores rank higher than 90 percent of students in America and 20 other developed nations.

The report's top school district is in the affluent area of Pellham, Massachusetts, where the average household income is \$75,000. In the Waconda District, 65 percent of students live at the poverty level. Superintendent Jeff Travis said the school's small class sizes and high parental involvement help students achieve such strong scores.

For more information, contact me, Virginia Wolking, at virginiaaw@cfra.org or 402.687.2103, ext. 1017.

The Center's website will receive a new look this month. We hope the new design helps you to better find the information you seek from the Center.



Climate Change Skeptics

There are credible scientists who doubt climate change, but they are far outnumbered.

Wikipedia lists about 35 scientists who are skeptical that rising earth temperatures are caused by human activity. To put that number in perspective, **a survey sent to over 10,000 earth scientists found that 88 percent of all climatologists, 90 percent of all scientists who publish research on climate change, and 98 percent of all climatologists who publish research on climate change agree that the climate is warming and human activity is a significant contributing factor.** The results were published by the American Geophysical Union in its journal *Eos*.

Could the minority be right? They could be, but how much are we willing to bet on the skeptical minority? By the time every doubt is erased it will be too late to take action to control the risks. And is it moral for us to refuse to sacrifice, knowing that our children and grandchildren will suffer the consequences if the overwhelming majority of scientists are proven right?

Contact me, Chuck Hassebrook, at chuckh@cfra.org or 402.687.2103, ext. 1018 to exchange ideas.

MarketPlace Gears Up for 2012

With five years of successful MarketPlaces behind us, we're about to shake things up! The 2012 conference is one day – Wednesday, Feb. 22, 2012, at the Ramada Inn and Convention Center in Kearney, Nebraska. Tuesday, Feb. 21 will feature a new “Youth MarketPlace” designed for high-school aged entrepreneurs and RZ Bounce where you will “Meet the Experts.”

Other surprises are in store as well, including keynote speaker Joanne Steele, Owner and CEO of Rural Tourism Marketing Group. Check out Joanne's blog at ruraltourismmarketing.com. You'll find excellent information on promoting rural businesses and communities.

We'll have more next month. Meanwhile, visit <http://www.cfra.org/marketplace/home> for information. One thing remains unchanged – the great line-up of sponsors, exhibitors, presenters and attendees make this the place to be on Feb. 22, 2012!

Corporate Farming Notes

Major Setbacks for Livestock Market Reform

In recent weeks, issues surrounding the so-called GIPSA rule have become so complex that I think we need a timeline of sorts to keep everything straight.

- For as long as anyone can remember, and certainly for the last 40 years, meatpacking companies have offered sweetheart deals to the largest livestock producers, and deep, volume discounts for family farmers' and ranchers' hogs and cattle, in violation of the Packers and Stockyards (P&S) Act.
- For the last 15 years the Center for Rural Affairs has called on USDA and Congress to end the price discrimination that has driven so many independent family farm and ranch livestock producers out of business.
- In 2008, the Center for Rural Affairs and a handful of allied organizations helped secure the inclusion of language in the Farm Bill that required the Secretary of Agriculture to define an undue preference and make other reforms under the P&S Act.
- On June 22, 2010, USDA published a proposed rule defining an undue preference and reforming several other elements of the P&S Act. While not perfect, the rule was the most aggressive livestock market reform to come out of Washington since the passage of the P&S Act itself. USDA accepted comments until November 22, 2010, and then the

rule languished for over a year.

- In November, USDA announced that some elements of the proposed rule would be finalized, but others, including language dealing with price discrimination (undue preferences) and other related livestock market reforms would not become final, meaning they likely will be withdrawn or simply never resubmitted or finalized.
- A week later the House and Senate Appropriation Conference Committee effectively gutted all the portions of the proposed livestock market reform rule that had not already been advanced by USDA by disallowing the use of any appropriated funds for advancing any additional portions of the proposed GIPSA rule.

At the Center for Rural Affairs, we don't always win, but we fight the battles worth fighting, and we never give up. **Recent events regarding the GIPSA rule were major setbacks for reforming livestock markets.** However, we have the facts on our side, we have the law on our side and we have rural America on our side. Persistence and perseverance got us this far, and the same thing will lead us home again.

Contact me, John Crabtree, at johnc@cfra.org or 402.687.2103, ext. 1010 with comments and questions.

Land Link Sneak Peek

The Center for Rural Affairs Land Link program revitalizes rural America by matching beginning farmers with land owners.

Beginning Farmer

College Student Seeks Farming Opportunity in Nebraska

Andrew Stech will graduate from the University of Nebraska, Lincoln, in May 2013, ready to begin farming. After growing up working on his family's farm, Andrew spent his time in college learning the skills and building the networks of people and resources that will help him become a successful farmer.

He plans to spin off from his family's farm to his own corn and soy operation and eventually take over his family's livestock operation. Focused on maximizing efficiency while minimizing soil erosion, Andrew looks forward to owning and operating a successful farm while playing an active role in rural community life. He hopes to connect with established landowners to rent and eventually buy land for his farm in Northeast Nebraska.

Know of an opportunity for our beginning farmer Andy?

Would you like to work with a new farmer on your farm or ranch?

Interested in the next generation of agriculture?

Give me a call or shoot an email to Virginia Wolking, 402.687.2103, ext. 1017 or virginia@cfra.org.

Delivering Value in the Health Insurance Marketplace

State legislators face an important decision in implementing the Affordable Care Act. Will they set up the new state-based insurance marketplaces to bring consumers together to negotiate with insurance companies for a better deal – or will they elect not to.

Already 10 states have enacted legislation to establish new insurance marketplaces and another 34 are considering legislation. States have flexibility over several key aspects of how the marketplace will operate.

For small businesses, farmers and ranchers and the self-employed, one of the most important decisions is whether the new marketplaces will help them come together in a larger pool to negotiate better rates.

Big employers do this now. Big corporations, and even state governments, leverage their large group of employees to get a better deal on insurance. For farmers, farmer-owned cooperatives are another example of large numbers of individuals banding together to strengthen their business position. But, for too long, individuals and

small businesses have gotten a raw deal on health insurance because they lack similar market clout.

If set up right, the new health insurance marketplaces will be able to organize individuals and small businesses into larger groups that are able to negotiate for better deals.

This is especially important to making the exchanges work for small business. For a family of four making less than \$88,000 a year, a new tax credit will help make insurance premiums more affordable. But for small businesses, the tax credits are only transitional. The long-term benefit of the Affordable Care Act for small businesses is the prospect of finally being able to band together with other businesses to demand a better deal from insurance companies.

Unfortunately, some states are considering tying the hands of ad-

ministrators of the new health insurance marketplaces. They would prevent them from leveraging the large pool of new enrollees to negotiate a better deal from insurance companies. Such a move would leave the market dominance of large insurers unchallenged.

For too long rural people, farmers and ranchers and small businesses who buy coverage in the individual market have been denied the benefits large employees can demand. By enacting strong legislation that puts consumers and small businesses ahead of giant insurance companies, states can begin to make the insurance marketplace a fair arena for all.

If you want to get involved in this issue in your state, call or email me, Brian Depew, at briand@cfra.org or 402.687.2103, ext. 1015.

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Honor Loved Ones with a Tribute Donation!

Dad: if you're reading this, please stop. You'll ruin the surprise.

After 20 years of giving my dad trusty tube socks and those shirts with the pen pocket, I'm spicing things up this year by making a tribute donation in his name to the Center for Rural Affairs. When we open gifts on Christmas, I'll present him with the custom card (camouflaged in a sock bag, of course) that explains how his tribute is advancing the rural advocacy he believes in. I think this gift will warm his heart a bit more than snugly-fitting grey and blue cotton.

You can set up your own tribute card for a loved one by calling me, Jamie Horter, at 402.687.2103 ext. 1021 or visiting cfra.org. Ordering by Dec. 18th will ensure your card arrives by Christmas.



All tribute cards to your loved ones will reach them by Christmas if ordered by December 18th.

Center Releases Report Examining 2010 Census Data and Changes in Age Distribution for Multi-State Region

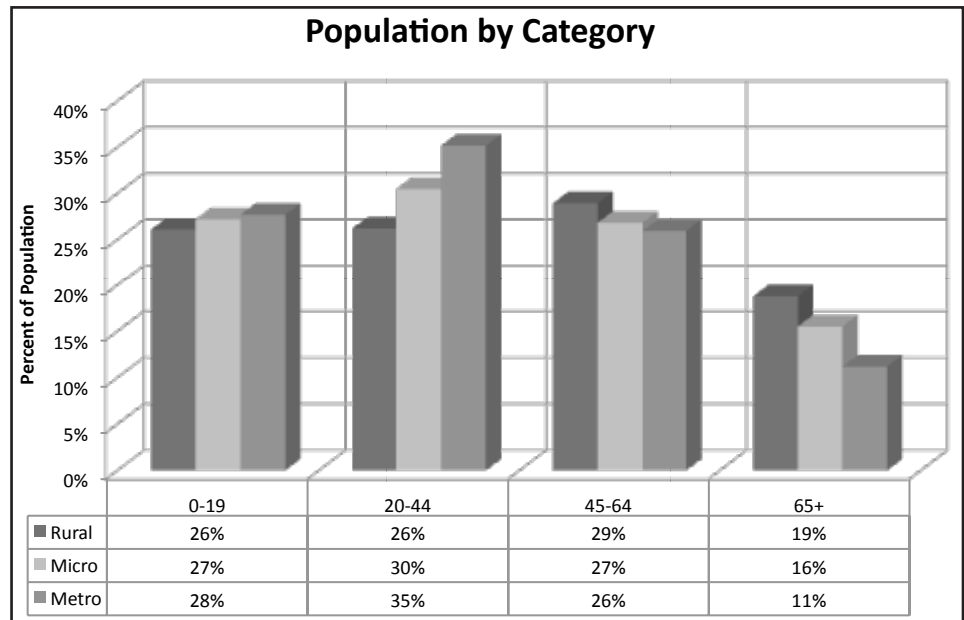
As we discussed in an earlier article (see September 2011 newsletter), data from the 2010 Census show that rural areas in the Great Plains and Midwest continue to lose population, while smaller cities and metropolitan areas continue to expand.

Our most recent report – *Age Distribution on the Great Plains* – looks at the 2010 Census data and changes on age distribution for a multi-state region that includes Iowa, Kansas, Minnesota, Nebraska, North Dakota and South Dakota and selected counties in Colorado, Montana, Wisconsin and Wyoming.

The chart outlines age distribution by county type for the region (with rural – micropolitan – metropolitan from left to right in each group of bars).

This chart shows three basic facts related to age distribution in the region:

- **For the youngest age group the three county types are essentially equal.**
- **The 20 to 44 years of age group – young, working age adults – is where rural areas begin to lag behind metropolitan and micropolitan counties.** While the rural proportion for this age cohort is equal to the rural proportion of the younger age group, both metropolitan and micropolitan counties significantly increase their share of the population in this age group. In metropolitan counties of the region nearly two-thirds of the population is less than 45 years of age.
- **Rural areas are older.** Rural areas have a larger proportion of their population in the two oldest age groups (45 years of age and older) than do metro-



The latest census data show the 3 county types studied are about equal for residents under age 19. Rural counties begin to lag behind in the 20-44 age group, and they lead the other 2 county types for people 45 and older. This distribution has significant implications for the region, immediately and in the long term.

politan and micropolitan counties. With nearly half the rural population 45 years of age and older, the needs of rural communities of the region and the services required in those communities are significantly different than in the urban areas of the region.

Implication for Rural Areas

The age distribution of the region's population has significant implications for the region both immediately and in the long term. The relative youth of the urban areas of the region affects the economics of those counties and ultimately the rural counties of the region. As young, likely more educated people flock to micropolitan and metropolitan counties, investment will flow into those areas to create jobs and opportunities and to meet the needs of the expanding population.

Conversely, such investments are less likely in rural areas of the region. Rural communities and

public policy must find alternative methods to create rural economic opportunities.

The relative age of rural areas of the region will also require emphasis on a different set of needs and services. Access to health care, retirement security and the stability of programs tied to senior populations will continue to be critical for large portions of the region's rural population and economy.

In addition, the relatively large rural population of children suggests the need to maintain – or in some cases, enhance – those services and resources targeted to our youngest citizens.

You may find the full report at <http://files.cfra.org/pdf/census-brief2-age.pdf>. For more information on our census reports, contact me, Jon Bailey, 402.687.2103, ext. 1013 or jonb@cfra.org.

Quick Tips for Purchasing a Business

There are so many questions to ask when considering the purchase of an existing business. A great place to begin is with the tips listed below.

Most importantly, why is the seller selling? The answer will raise red flags or be consistent with, and meet no resistance when asking for the detailed information that follows.

1. Ask to review the certified financial statements of income, cash flow and balance sheets for the last three years. If you borrow from a bank to purchase the venture, the bank will want to see them.

2. Ask to see the company's (not the owner's personal) IRS returns for the last three years.

3. Ask for a copy of all documents of all outstanding indebtedness like notes payable, accounts payable, real estate and equipment leases.

4. Has the seller offered to stay around for awhile after the sale to help with transition, and have you discussed some compensation for his/her services during that transition period?

5. Have you been allowed to talk with the employees, or is this sale confidential? If it's confidential, why are employees not being told of the impending sale?

6. Has there been any significant turnover of employees? If so, why is that?

7. Have you learned anything about the quality of customer relations at the company? Is there a close relationship between the company and its customers?

8. Have you learned anything about the relationship between the company and its vendors?

9. What are the actual conditions of the working environment? Are there any hazardous situations or is this a well-kept workplace?

10. What are the actual conditions of existing fixed assets like office equipment, machinery, vehicles and the like? If existing employees, do they demonstrate good maintenance and cleanliness of company property?

There is so much more to ask, but this gives you a starting point to begin investigating the venture in which you are about to invest.

If you live in Nebraska, you can call a REAP Business Specialist for help with this and other small business needs. REAP is the Center's full service microenterprise development program. It operates on a statewide rural basis.

If your state doesn't have a program like REAP, contact your chamber of commerce or nearest college to see what help is at hand.

You'll find more information about REAP at www.cfra.org/reap. Or contact me, Jeff Reynolds, at jeffr@cfra.org or 402.656.3091.

Misguided Farm Bill, continued from page 8.

The bill reduces future enrollments in conservation programs. Total conservation spending would still grow as more farmers enter the landmark conservation programs of recent farm bills. But many conservation-minded farmers would be locked out. Conservation spending would be held to one-half of crop insurance and farm program spending, in spite of record high crop prices.

The rural development cuts would be devastating. Small business, small town, and rural community development would be cut to less than one-tenth of the aver-

age of the last two farm bills. Total rural development spending – which includes both farm bill spending and annual appropriations – has already fallen by more than one-third since 2003.

This farm bill, together with recent appropriations legislation, eliminates funding for the Rural Microentrepreneur Assistance Program – the one USDA program supporting loans, training, and business counseling for rural small business. Beginning farmer assistance is also reduced.

This farm bill does not reflect the priorities of rural America. It does

not support the thousands of rural communities fighting to create a future. It cuts the programs that help create good jobs. Increasing subsidies for mega farms to drive out smaller operations, while slashing investments in our people and future, does not reflect the values of rural America.

This farm bill deserves to die. Thankfully, it has been set aside, at least for the time being.

Contact me, Chuck Hassebrook, with comments or questions. Call 402.687.2103, ext. 1018 or email chuckh@cfra.org.



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Misguided Farm Bill Subsidizes the Rich, Shortchanges the Future of Rural America

The farm bill developed by congressional agriculture committee leaders represents the worst aspects of federal policy and most misguided instincts of elected officials. Fortunately, it has been set aside, at least for the time being. The bill would increase subsidies for the rich and powerful and cut investments that create jobs and opportunity for rural people and a future for rural communities.

This farm bill was written for inclusion in larger budget-cutting legislation. When that stalled, the farm bill stalled. That is fitting. This farm bill is not worthy of advancing.

Its elements include:

- Limits on payments to large farms for low prices are doubled to \$210,000. Gaping loopholes are left in place. A larger share of payments, including virtually all cotton subsidies, would be provided through uncapped crop insurance premium subsidies.
- Actual spending on federal farm, disaster, and crop insurance programs is cut by less than 1 percent, compared to 2010. Subsidies for many of the biggest farms will grow due to more spending on uncapped crop insurance premium subsidies.

This legislation does not reflect the priorities of rural America. It does not address the needs of the thousands of rural communities fighting to create a future for the next generation.

- The bill eliminates the direct payment program, which has been criticized for providing payments in high price years. But crop insurance is the more expensive program, and it actually provides its highest subsidies in high crop price years. That's because it costs more to insure \$6 corn than \$4 corn. And the federal government pays 60 percent of the premium.

Here is the bottom line. If one corporation farmed your entire state, the federal government would pay 60 percent of its crop insurance premiums on every acre in every year – the better the year, the bigger the subsidy.

—See **Misguided Farm Bill** on page 7.