



CENTER *for* RURAL AFFAIRS

YOUR RURAL NEWS FOR OVER 40 YEARS | LYONS, NEBRASKA | POPULATION 851 | JULY & AUGUST 2018



Barreras Family Farm, owned by Lt. Col. Anthony and Mariel Barreras, started with a few free chickens, and has blossomed into educational summer camps, goat milk for sale, and pasture-raised hens. The operation now features more than 800 chickens, a few hogs, several dairy goats, an assortment of cattle, and two friendly horses. | Photo by Kylie Kai

BARRERAS FAMILY FARM: ARMED WITH PURPOSE

BY CODY SMITH, POLICY ASSISTANT, CODYS@CFRA.ORG

At the Barreras Family Farm, just a few miles north of Omaha, Nebraska, co-owners and operators Lt. Col. Anthony and Mariel Barreras' love of farming and each other is evident. The spouses find joy in inter-

acting with other farmers and ranchers and sharing their experiences with them. On May 24, their farm was one of three featured on Answering the Call: Veteran Farmer Tour, co-hosted by the Center for Rural Affairs and Legal Aid of Nebraska.

Anthony is currently on active duty in the U.S. Army, which led the duo to showcase their farm to more than 40 beginning veteran farmers and ranchers on the tour.

"We like hearing other people's dreams... we talk with so many

—SEE [ARMED WITH PURPOSE](#) ON PAGE 3

TIRESOME ABUSE OF FARM PROGRAM PAYMENT DOLLARS

BY CORA FOX, POLICY ASSOCIATE, CORAF@CFRA.ORG

Congress has created a strong safety net for farmers through commodity, price support, disaster assistance, and conservation programs. These dollars are important to farms across America, as they give farmers some stability in a volatile agricultural landscape.

Farmers face exceedingly high input costs, depressed commodity prices, and weather extremes, but they continue to spend countless hours working to grow viable crops, year after year.

Well, some folks are investing their energy. Unfortunately, a small number of very large opera-

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NOTE FROM THE EDITOR

BY RHEA LANDHOLM, BRAND MARKETING & COMMUNICATIONS MANAGER, RHEAL@CFRA.ORG

Since its inception, the Center for Rural Affairs has chosen to advance a set of values that reflect the best of rural America. This month's newsletter focuses on "RESPONSIBILITY placed upon each of us to contribute to our community and society."

Throughout this edition, you will see this value in Lt. Col. Anthony and Mariel Barreras' vision and interactions with beginning veteran farmers; in South Dak-

ota businesses letting us know of their strengths and areas that need attention; and in Laurie Donnell as she starts her new role helping rural entrepreneurs.

We have a responsibility to tell our lawmakers to limit loopholes in farm program payments and to support beginning and underserved farmers with Farm Service Agency loans. In addition, as community members and local officials, we are tasked with addressing concerns from new de-



velopment, such as wind energy.

Responsibility is also found in our executive director's essay as he tells us about the Center's roots and growing impact.

For more, visit cfra.org.

TIRESOME ABUSE, CONTINUED FROM PAGE 1

tions aren't, but they're being paid by the USDA as if they were. A recent Government Accountability Office (GAO) report shows abuse of farm program payments, and the findings are mind-boggling.

For more than 30 years, legislation has been in the farm bill to sensibly limit farm program payments. Congress set a payment limit of \$125,000 per "person or legal entity" to help rein in farm program expenditures. The payments most individual farmers receive do not even come close to that limit, but the largest operations far exceed it. In fact, the GAO reported that, in 2015, the top 50 farms in the country received nearly \$900,000 each.

Why is this happening? The answer is loopholes in our farm safety net. Some farming operations, particularly general partnerships, are claiming payments for several individuals or entities, as long as they qualify as "actively engaged." If an entity claims to contribute

"personal labor" or "active personal management," they can collect payment. The system is rife with loopholes.

The farming operation that received the highest payments also offers the best illustration of how this system is abused. Comprised of two individuals and 32 corporations, it received \$3.7 million in payments in 2015. All of those individuals and corporations claimed to have contributed "active personal management," but none reported "personal labor."

This tells us that the folks running these mega farms aren't spending countless hours in the field. I doubt they know what variety of crop they grew in 2015, or what the yields were on each individual field. But, I'm sure they know how much the government paid them, and potentially used those dollars to buy out their neighbor.

This abuse of farm program payment dollars is getting tiresome,

especially for people, like Sen. Chuck Grassley (R-IA), who have been advocating to close payment limit loopholes for decades. Congress has the opportunity with the 2018 farm bill to do so. They can review 2014 draft legislation, when both the House and Senate agreed to make sound and effective limits that would provide a solution to this debacle. Unfortunately, the Congressional Conference Committee removed those provisions from the final bill.

These excessively large payments drive farm consolidation, thereby increasing barriers for beginning farmers and decreasing the number of true family farms. This is a terrible misuse of taxpayer funds. We need effective payment limitations to ensure taxpayer dollars aren't funding the squandering of rural America.

We're at the cusp of a new farm bill. Isn't it time for Congress to close these loopholes and stop this abuse of taxpayer dollars?

PAPER & E-NEWS

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

Editing and layout by Rhea Landholm
Additional editing by Liz Daehnke

Printed at West Point News, West Point, NE

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ARMED WITH PURPOSE, CONTINUED FROM PAGE 1

people, and we hear what their dreams are,” said Mariel. “It’s not just sharing what we know or our successes and failures of what we’ve learned, but it’s listening to their dreams and then encouraging them.”

The vision for Barreras Family Farm is deeply-rooted in the duo’s military background. Mariel said they try to emulate the seven Army values of loyalty, duty, respect, selfless service, honor, integrity, and personal courage in everything they do.

The crossover between military life and farming seems very similar: long hours, a limited work/life balance, and a strong sense of camaraderie. However, this combination can bring a few unique challenges along with it. Mariel says facing these obstacles has created a tight-knit community of support for her and her family.

“Over the years, with our soldiers and our spouses, it’s always been a big family,” she said

Anthony agrees.

“Here in Nebraska, it’s been a real blessing that the job I have has provided me with some more predictable time,” he said. “It really comes down to your passion, what you want to do, and if you’re willing to put just as many hours into your free time as you do at work to be able to do what you love.”

Owning and operating a farm, putting food on the table, and serving in the military is a lot of responsibility – how do they keep it all together? They say it’s about answering the call in more ways than one.

“God gives everybody a purpose, and everybody has a different purpose,” Mariel said. “It would be a lot easier if we had a different purpose, but this is where God has us now. Yes, there are benefits for our family. But, there are bigger benefits for everyone who visits – that’s our purpose.”



The duo met while Mariel was a college student and Anthony was deployed in Alaska. They spent many first dates bear hunting, and that’s where the logo for Barreras Family Farm, originated – it includes a bear. | Photo by Cody Smith



Family is the main commodity at the Barreras Family Farm. Each and every one of the seven children pitch in with the chores. “They’re raised to do chores; they’re raised to be a team, just like in the Army,” Mariel said. | Photo by Kylie Kai

STAFF SPOTLIGHT

LAURIE HAS BIG GOALS AND HIGH HOPES FOR HER NEW POSITION

BY LIZ DAEHNKE, COMMUNICATIONS CONSULTANT

Since 1990, the Center for Rural Affairs' Rural Enterprise Assistance Project (REAP), has provided services to micro businesses throughout Nebraska.

Because of financial assistance, and/or training provided through REAP, countless small businesses have grown and thrived, and just as many eager entrepreneurs have seen their dreams come true by opening their own businesses.

To lead a program which offers that much opportunity and gives so many people hope is a giant undertaking, but it's one that Laurie Donnell is excited to begin.

Recently, Laurie took on the role of REAP director. Through the program, entrepreneurs can create a business plan, research potential markets and marketing ideas, discuss management issues with experienced business specialists, and apply for a small business loan.

"The mission and vision of the Center is in direct alignment with my own core values," she said. "We both want to drive small business forward in the state of Nebraska."

Center Executive Director Brian Depew added, "We're thrilled to have Laurie on board to help lead our small business lending and services forward. We know how much opportunity there is in rural Nebraska. We want to serve even more small businesses in the future, and Laurie can help us get there."

With 25 years of Small Business Administration lending experience, Laurie is well-prepared for the task at hand. She has also executed two successful turnaround efforts;



Laurie Donnell has been hired as the Center for Rural Affairs' Rural Enterprise Assistance Project director, leading small business lending, training, and technical assistance. | Photo by Rhea Landholm

one with a failing restaurant, and the other with a qualitative market research company, experience that gives her unique insight into business assistance.

One of the Center's commitments is to strengthen rural communities through small, self-employed business development. The Center offers four essential services: financing, business training, technical assistance, and networking. Laurie plans to build on these already successful services.

"I look forward to growing the lending capacity at the Center, and making a substantial impact on the future growth of small business in our state," she said. "My hope is to eventually become the number one Small Business Administration microlender in the nation."

Laurie's passion for small business in rural America comes from a long family history of hard work and perseverance. A fourth generation farmer from Gordon, Nebras-

ka, Laurie says it all started with her grandmother, who was raised in a "dug-out" home in the Sandhills, along with her 11 siblings. Since then, no one in her family has been a stranger to the rural lifestyle.

"Growing up, I was active in 4-H, and learned the value of hard work, planning, budgeting, and self-sufficiency," she said. "Our family still operates a successful farming operation, and I have dedicated my career to assisting rural Nebraskans in building economic stability via self-employment."

When she's not working toward building a stronger rural America, Laurie loves to travel, golf, cook, and sew. She says her dream is to have a goat farm at her new home in rural Lyons.

Laurie serves the entire state of Nebraska, and can be reached at the Center's main office at 402.687.2100 ext. 1026 or lauried@cfra.org.



South Dakota small business owners and resource providers gave input on financing, marketing, and training needs in spring 2017. Results are analyzed in “The Rushmore State – Carving out a Business Profile,” available at cfra.org. | Photo submitted

WORKFORCE IS TOP CONCERN FOR SOUTH DAKOTA BUSINESSES, ACCORDING TO REPORT

BY RHEA LANDHOLM, BRAND MARKETING & COMMUNICATIONS MANAGER, RHEAL@CFRA.ORG

The top need for small businesses in South Dakota is finding quality employees, according to a report recently released by the Center for Rural Affairs and South Dakota State University. Owners also identified employee quantity issues as the leading growth inhibitor.

“The Rushmore State – Carving out a Business Profile: 2017 South Dakota Small Business Needs Assessment Results,” is authored by Dr. Patricia Ahmed, lecturer at South Dakota State University; and Dena R. Beck, former senior project leader and loan specialist of the Center for Rural Affairs.

The authors conducted a survey in spring 2017, gathering information from South Dakota small business owners and resource providers to identify strengths and areas that need attention. They received 423 responses, representing 92 percent of counties

“IF BUSINESSES DO NOT HAVE THE WORKFORCE THEY NEED, THEY WILL STRUGGLE TO GROW.” –DENA BECK

in South Dakota.

“Job growth is critically dependent on new business formation,” Beck said. “If businesses do not have the workforce they need, they will struggle to grow. Providers must be aware of this and continue to watch, evaluate, and communicate with businesses to identify their workforce needs.”

In addition, both aspiring and existing business owners cited the lack of high-speed internet access as a startup difficulty, current business need, and growth inhibitor.

Survey questions were based on financing, startup needs, current needs, business growth inhibitors, and training and technology needs.

“To ensure business owners are offered the products and services

they need, it is imperative to simply ask,” Dr. Ahmed said. “As citizens, large business owners, and business lenders and providers, we need to pay attention to those needs and assist if we want our downtowns, communities, and local economies to thrive.”

Partnering organizations were instrumental in distributing the survey to desired audiences. Those partners include Dakota Resources and East River Electric’s Rural Electric Economic Development.

For more information and to view “The Rushmore State – Carving out a Business Profile: 2017 South Dakota Small Business Needs Assessment Results,” visit cfra.org/publications/SouthDakotaSmallBusinessNeeds.



A study from Lawrence Berkely National Laboratory found wind farms have no notable effects on property values. Data was collected from the sale of more than 50,000 homes in 27 counties, located in nine states. | Photo by Cody Smith

PROPERTY VALUES NOT AFFECTED BY WIND FARMS

BY LU NELSEN, POLICY ASSOCIATE, LUCASN@CFRA.ORG

When it comes to economic development tools, wind energy has paid off for rural areas. Whether it be new employment opportunities, additional revenue for counties, or direct payments to landowners, wind energy has brought significant benefits to rural communities. However, any kind of new development comes with concerns. One frequent concern voiced by local residents is what effect, if any, the presence of a wind farm may have on their property values. While there are many anecdotes about potential effects, there are several studies that have examined how wind farms may affect property values.

The most recently updated study by the Lawrence Berkeley National Laboratory, completed in 2013, used data collected from the sale of more than 50,000 homes in 27 counties, located in nine different states. These homes were within 10 miles of wind projects, with 1,198 sales within one

FACT SHEET: WIND ENERGY AND PROPERTY VALUES

These report findings are compiled in a fact sheet, “Wind energy and property values,” released last month by the Center for Rural Affairs. Author Lu Nelsen provides recommendations for wind project developers, rural communities, and landowners to facilitate a more efficient development process. The fact sheet can be found online at cfra.org/publications/WindEnergyAndPropertyValues.

mile and 331 within half of a mile. This study also used data from before the announcement of a project; the post-announcement, pre-construction period; and the eventual operation of the project. The study found no evidence of an effect on prices of homes in proximity to wind turbines throughout these periods.

While wind farms appear to have no notable effect on property values, siting remains an important piece of wind energy development. Developers, along with county and local community officials, must identify ways to address concerns and mitigate impacts from new development, while allowing landowners to host wind turbines, if they choose to.

A good first step is to identify

questions and concerns of local residents, most often through public meetings that bring together stakeholders to discuss potential projects and share information. These meetings can also offer an opportunity for county officials to gather input from local residents to inform decisions about local regulations, and for developers to answer questions and use feedback to make adjustments to projects.

Careful siting and fair, well-informed standards also help ensure that other local concerns can be avoided or mitigated. Rural communities can work together, and with developers, to make wind energy projects better, and continue to reap the benefits of new renewable energy.

CORPORATE FARMING NOTES

INCREASED FSA LOAN LIMITS BENEFIT LARGE OPERATIONS

BY CORA FOX, POLICY ASSOCIATE, CORAF@CFRA.ORG

Even though farming has become increasingly expensive, from land value to input costs, some farm groups have demanded an increase in Farm Service Agency (FSA) loan limits. Recent farm bill proposals from Congress responded to those demands. However, nearsightedness regarding farm loans can cause more harm than good, as there are pitfalls. These may severely impact those who need FSA farm loans the most: our beginning and historically underserved farmers and ranchers.

Beginning and historically underserved farmers and ranchers often look to the FSA for help in accessing much-needed capital for operating expenses and to purchase land. Guaranteed loans generally exceed the dollar amounts of direct loans, and are financed through U.S. Department of Agriculture-approved commercial lenders. Since larger, more estab-



In recent farm bill drafts, lawmakers have increased limits on Farm Service Agency loans. These proposals would benefit larger, more established farming operations leaving behind the next generation of farmers and ranchers. | Photo by Cody Smith

lished operations are often more capital-intensive, and seen as less risky than the average beginning small- or mid-size operation, commercial lenders are less likely to lend to beginning and historically underserved producers.

Under current law, the FSA direct farm ownership loan limit is \$300,000, and the guaranteed loan limit is set at a healthy \$1.39

million per producer. One proposal called for the doubling of direct loans to \$600,000 and guaranteed loans to a hefty \$2.5 million per producer. Another proposal advocated for an increase in guaranteed loans to \$1.75 million. The proposed increases to loan amounts are poised to provide financing to larger, more established farming operations, but with no change in available loan funds – meaning more dollars will go to fewer producers, and funds will run out more quickly.

The farm bill will have a major impact on the future of agriculture. As we progress in the farm bill process, Congress must work to ensure FSA loan dollars are prioritized for the next generation of farmers and ranchers. We need to stop lining the pockets of big ag, which ultimately fosters an environment conducive for farm consolidation, and focus on building an agricultural system that is fair for all.

GROWING IMPACT, CONTINUED FROM PAGE 8

budget has grown from \$1.9 million to \$5.5 million per year. Every single aspect of our work has grown in scope and impact.

Half of the team is in Lyons. We also now have an office in Nevada, Iowa, with three staff members. Additional staff are remotely located around the state of Nebraska. A contract organizer in Kansas rounds out the map.

As our staff grew, we took on new work, often prompted by your feedback. The Center played a major role in health care and energy policy in the last 10 years. At both the state and federal level, we are active on a broad set of

issues today. Our small business assistance work doubled and doubled again. We also added major focus on Latino small business development in direct response to need in the field.

Our work with small towns now spans from community-based art strategies to a large-scale effort in Nebraska to create more welcoming communities as immigration reshapes rural places. Our engagement with farmers reaches from hands-on assistance with low resource producers to engagement with conservation, beginning farmer, and crop insurance policy.

None of this would have been

possible without you – our grass-root supporters, community advocates, donors, and funders. We know that if we are persistent, we can create a better future for our communities, ourselves, and future generations. That is the vision and the ethic that our team commits itself to each and every day.

What will the future bring? That depends on what you think the needs are, and what you will help us create. We will create the future together. As we do, our commitment to rural America will remain at the center.



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Loopholes in farm safety net

Inside: Farm bill needs to include limits

FROM THE DESK OF THE EXECUTIVE DIRECTOR

GROWING REACH, GROWING IMPACT

BY BRIAN DEPEW, EXECUTIVE DIRECTOR, BRIAND@CFRA.ORG

The Center for Rural Affairs makes its home office in Lyons, Nebraska. We built a new office in this north-east Nebraska community of 851 people in 2004.

Since our founding in 1973, putting down roots in a small town in the middle of the country has always been a radical demonstration of our commitment to rural America. Then – and now – rural places face profound challenges. Being part of rural America, and confronting these challenges in our daily life, is truly part of the makeup of the Center.

We recommitted ourselves to that vision when we invested in a new office. That vision drove staff and program growth in the 14 years since. Our office was built



The Center for Rural Affairs staff is growing, and our offices are full. Construction is underway to turn our conference room into five offices. The room is pictured above, hosting our quarterly board meeting. | Photo by Rhea Landholm

with future growth in mind. Empty offices were an expression of our optimism for increased future impact.

That optimism has been born out. Over the last 14 years, the Center's staff has grown from 25 to more than 40. Today, our office

is full. With plans to hire three additional staff, construction is underway to turn an underused conference room into five additional offices.

Over the same time period, our

—SEE [GROWING IMPACT](#) ON PAGE 7