Center for Rural Affairs

YOUR RURAL NEWS FOR OVER 45 YEARS | LYONS, NEBRASKA | POPULATION 851 | JULY & AUGUST 2019

GENERATION TO GENERATION—CONSERVATION KEEPS FAMILY FARM ALIVE

BY LIZ DAEHNKE AND VICKY ESPINOSA, VICKYE@CFRA.ORG

At 93 years old, Joan Buhrmann's top priority is still her family farm.

A witness to many changes on the farm, Joan knows there will be even more alterations in the future. One thing she would like to see continue on the farm is the use of conservation practices.

Though they may not have been aware of it at the time, Joan and her husband, Wayne "Red" Buhrmann, started implementing conservation practices on their family farm in 1948.

"To avoid erosion, Red planted grass in the low spots in the row crop fields (swales) to stop the good topsoil from running down into the ditch," Joan said.

Located 25 miles south of Lincoln, Nebraska, just outside the village of Sprague, the land has been in the family since the late 1800s. Red actively managed the farm, raised cows, hogs, and occasionally chickens. He also planted row crops, then hired out the har

Joan Burhmann, front center, now age 93, worked alongside her husband, Wayne "Red" Buhrmann at their family farm near Sprague, Nebraska. At one time, she raised chickens, and "chased cows when they got out, all while taking care of the little ones." She took over management of the farm when her husband died in 1996. | Photo submitted

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Inside this issue

YOUR VOICE NEEDED FOR FAIRNESS FOR POULTRY AND LIVESTOCK PRODUCERS

BY ANNA JOHNSON, ANNAJ@CFRA.ORG

Economic opportunity is vital to rural communities. Although poultry and livestock production is integral to rural economies, decades-long shifts in the poultry and livestock industry have pushed many producers out of the business and made it tough for those who remain. Packers and processors were once more willing to purchase animals that individual producers owned, bred, and raised themselves. Now, much of the industry prefers to purchase animals that producers raise under contract. The meat-packing industry holds nearly unchecked power over the terms and administration of these contracts, and farmers have limited to no access to other

—SEE YOUR VOICE ON PAGE 5

NOTE FROM THE EDITOR

BY RHEA LANDHOLM, 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 "FAIRNESS that allows all who contribute to the nation's prosperity to share in it."

In this edition, you will read about Joan Burhmann, a 93-year-old working to make sure the next generation has a fair chance at rural life.

We explain why your voice is needed to ensure fairness for poultry and livestock producers, and how you can submit a comment to USDA. In a related story, we talk about building the vitality of a rural community and its food system while pushing back on corporate consolidation.

In the states of Iowa, South Dakota, and Nebraska, net metering has different definitions, and we are working hard to advocate for fairness in policy and energy independence.

In Nebraska, during the 2019 legislative session, you, our constituents, played an important role in the passage of a number of bills, helping homemade food producers, reinvigorating funding for small business programming, preserving the beginning farmer tax credit, and more.

Lastly, in our executive director's essay, he talks about housing in rural communities—specifically, funding for housing. He identifies several ways communities are responding to provide better access to home ownership.

BEEKEEPING PROGRAM LAUNCHES

BY RHEA LANDHOLM, RHEAL@CFRA.ORG

Those interested in beekeeping have a new learning opportunity.

The Center for Rural Affairs and University of Nebraska-Lincoln are partnering to offer Great Plains Master Beekeeping, a regional beekeeper training and certification program.

The program's purpose is to increase the amount of well-educated beekeepers, to provide new and experienced beekeepers with resources to continue their education, and to help others become advocates for bees.

"We have received a lot of feedback on creating a program to expand beekeeper knowledge, because there is such an influx of interest in bees and beekeeping," said Sheldon Brummel, Master Beekeeping Project coordinator.

Great Plains Master Beekeeping is set up in four tiers—Exploratory, Apprentice, Journeyman, and Master. Participants may advanced to higher levels at their own pace to refine their knowledge and management skills.

The Center for Rural Affairs is leading Exploratory Beekeeping classes, with four this summer: in Macy, Schuyler, Grand Island, and Crete. Three sessions will be in English and translated into Spanish.

"These classes are a chance for people to see what is needed for beekeeping, with hands-on opportunities," said Kirstin Bailey, Center for Rural Affairs project associate. "There will also be information on what you can do to help bees and other pollinators if you do not want to become a beekeeper."

To participate in the program, contact unlbeelab@unl.edu or 402.472.8378, or visit gpmb.unl.edu. For more information or to RSVP to Exploratory Beekeeping classes, visit cfra.org/events or contact Bailey at 402.367.8989 or kirstinb@cfra.org.

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.

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vest to friends.

Though Joan was raised in Omaha, and didn't have much agricultural knowledge, she learned quickly about farm life and enjoyed rural living.

"I chopped musk thistle as well as other weeds," she said. "At one time, I helped with raising the chickens, and I also chased cows when they got out, all while taking care of the little ones."

The couple took on farm life together until Red's death in 1996. Joan then took over management of the farm with the help and advice of her loved ones.

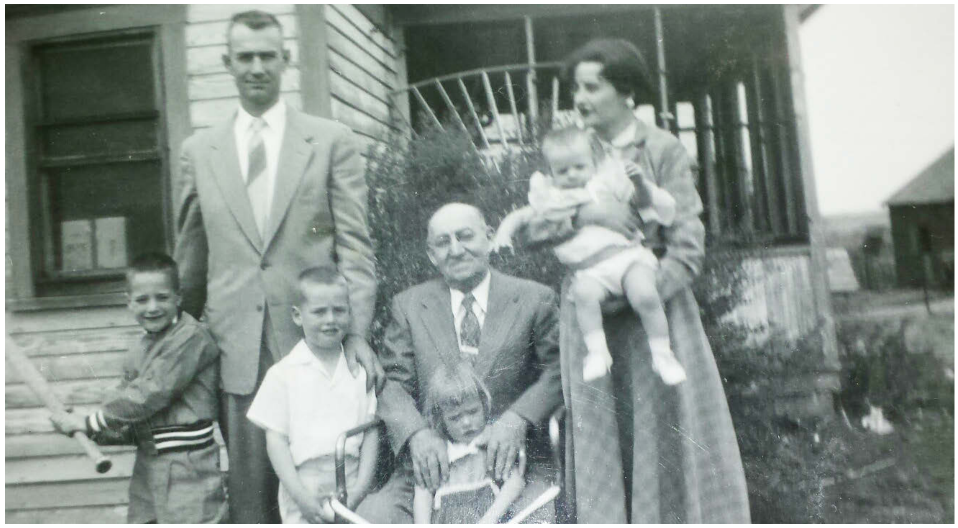
"Whatever needed to be done, I just made up my mind to do it," she said. "I relied on my children for advice, and I had good neighbors and friends who made sure I had good information to make decisions."

Joan also made sure to take the time she needed to make those decisions, and stresses that other women in her position should do the same.

"Don't do anything major for a year," Joan said. "There is so much emotion running through your head at the time when you take over the farm. I was grieving the loss of my husband, and trying to figure out how to keep things afloat. Just take things slow and easy if you can, and don't be afraid to ask questions."

Some of Joan's questions have been answered through sources other than family and friends, including at a Women's Learning Circle, hosted by the Center for Rural Affairs. Joan and her son, John, took part in the estate planning and soil health workshop in Lincoln last fall.

The Center's learning circles are peer group sessions that consider participants experts on their own production, farmland, and conservation needs. Information, experience, and resources are shared, allowing women to implement what they've learned into their own farm business or operation.



The Buhrmann family poses for a photo in front of the family farm house porch in 1955. Joan (far right) holds her youngest child at the time, Kay. | Photo submitted

Since Red had always incorporated conservation practices on the farm, Joan and her son wanted to continue with those practices, and the Center was able to give them practical guidance.

"John and I learned how good soil is formed through the soil health demonstration and discussion," said Joan. "It was also nice to see there were a lot of women who wanted to know things just like I did. I really appreciated the Center for Rural Affairs sponsoring a class where I could learn more about topics that relate to farming, and are geared toward women."

Currently, the Buhrmann land is sharecropped, and once the fences are repaired, John anticipates the land will be rented for most of the year and utilized during spring, summer, and fall.

Continued efforts to implement conservation practices are a high priority for the Buhrmanns. John drew up a Forestry Stewardship Management Plan after meeting with a Nebraska Forestry staff member. They hope to improve the farm's timber and natural habitat to produce more organic material in the soil.

John also wants to use conservation practices to help with clean water and soil preservation and enhancement. He has plans for installing a wetland on part of the property to aid in slowing the erosion of soil into nearby Salt Creek. The wetland would also help clean the water by eliminating Total Suspended Solids, which are the dirty, muddy parts of the water. John feels a wetland would filter this out before it gets to Salt Creek.

A meeting with the Natural Resources Conservation Service aided John in identifying where the wetlands are on the farm, as well as where the highly erodible land is and what can be done about it.

To make the farm profitable, John wants to introduce a fruit orchard as well as continuing with the traditional income streams for small farms.

"I really hope the family will continue the farm," said Joan. "A small family farm is becoming more and more of a rarity, and this really is a place that is family oriented. Over the years, friends and family would return to the farm and regale us with stories of what they did on the farm, and how many memories were created. It's such a touchstone for our family—I would hate to see that be wasted or 'sold out' to a corporate farm or land development."

CORPORATE FARMING NOTES

PUSHING BACK ON CONSOLIDATION IN THE FOOD SYSTEM

BY ANNA JOHNSON, ANNAJ@CFRA.ORG

Consolidation of companies in the food system has had negative impacts for rural communities. One detriment is lack of choice and higher prices for farmers when purchasing inputs, as fewer and fewer corporations control seed and chemical production.

While wounds from consolidation are deep, understanding how and why food system corporations build power is important to regaining ground for the health of rural communities.

Dr. Philip Howard describes the tactics and strategies that food system corporations have used worldwide in his book, "Concentration and Power in the Food System." The tactics he describes are both familiar and sobering to anyone engaged in food systems work. They encompass maintaining government subsidies, changing the interpretation of antitrust laws, structuring distribution networks, reshaping consumption habits, manipulating prices, strengthening intellectual property protections, and influencing voluntary standards. These efforts allow corporations to continue growing their market share and squeezing out competitors.

Building the vitality of a rural community requires not only investing in main street businesses, but also staying organized to push back against corporate consolidation. We're glad to be in this work with you.

CONSTITUENTS' IMPACT EVIDENT AS SESSION ENDS

BY JORDAN RASMUSSEN, JORDANR@CFRA.ORG

Nebraska's 2019 legislative session closed with the last day of May, adjourning five days early. This early adjournment was met with contention as a substantive solution to the state's reliance on property tax to fund K-12 education was again left unresolved. Just days into the interim, discussions are already underway to develop a compromise property tax relief and business incentive package for the 2020 session.

Among the gains of the session was the passage of the $9.3 billion biennial budget, with full appropriation for the expansion of Medicaid. However, the funding for expansion will only cover nine months of implementation, beginning in October 2020, due to actions taken by the administration to delay the start date of coverage. The budget also included a $51 million increase for the state's property tax credit fund and an increase in rates for Medicaid and behavioral health providers.

Center constituents played an important role in the passage of a number of bills this session—taking time to call and email senators, author letters to the editor, and offer testimony before legislative committees.

• Nebraska's cottage food law was amended, expanding entrepreneurial opportunities for homemade food producers who are now able to sell their goods directly from their homes and by delivery. The stories shared by Center supporters and members of the Nebraska Food Council helped compel senators to pass this legislation.

• Beginning in 2021, an additional $4 million will be re-appropriated to the Business Innovation Act following the termination of the underutilized program. The Business Innovation Act is a key funding source for our Rural Enterprise Assistance Project clients and programming.

• Following a series of negotiations and amendments, the state's Right to Farm Act was revised, while maintaining critical property rights protections for landowners and farmers. Calls made by constituents during this debate directly impacted the outcome of this legislation.

• A Healthy Soils Task Force was created, providing a venue to establish goals and timelines for improved soil health practices and conditions across the state.

• The Beginning Farmer Tax Credit, a legacy policy of the Center's, was preserved. Statute was aligned with current practices, allowing for the rental of multiple assets for both the beginning farmer and property owner and increased program utilization.

Although the session has come to an end, our efforts to advocate for sound policy that protects and promotes the well-being of rural residents and their communities carry on. If you have a policy idea or recommendation, would like assistance sharing your position with a state senator or the media, or have an interest in hosting a community conversation to discuss policy that matters to you, please give us a call or send us an email. We are already preparing for the 2020 session.

YOUR VOICE, CONTINUED FROM PAGE 1

markets. Farmers face a hard choice: raise animals under contract and take on the associated risk, or leave.

The federal government has a responsibility to rein in the power of these processors. The U.S. Department of Agriculture (USDA) plans to release a rule this year that would provide an opportunity to bring greater fairness for producers in the industry.

USDA could make many rule changes that would improve conditions for contract producers and make the industry more accessible to beginners. But, packers and processors hold a great deal of power, and USDA will not make these positive changes for farmers unless they hear wide and broad support from rural America.

Later this year, USDA will accept comments on a draft rule that may help address fairness issues when producers raise animals under contract. To learn more about submitting a comment, watch our website at cfra.org/competition. | Photo by Rhea Landholm

TROUBLE IN POULTRY AND LIVESTOCK PRODUCTION

What does contract poultry and livestock production refer to? Farmers enter into a contract with meat processors that requires the processor to provide various inputs while the producer does the work of raising the animals. These inputs can include animals, such as chicks or piglets, and feed. After the producers raise the animals for an allotted time, a representative for the processor takes the animals back for processing, and the producer is paid generally according to their final weight.

At every step of this process, the packing or processing company holds the power. Initially, the processor takes on none of the infrastructure cost of animal production. Producers regularly have to take on a very high level of debt to build and maintain the needed infrastructure to enter into a production contract. This leaves most producers with very little financial resiliency against losses from sick animals or weather impacts on their growth—and crop insurance won't cover animals raised under contract.

For any reason, the processor can also deliver smaller chicks or piglets, or substandard feed, and the producer will lose money at final sale when their animals are smaller, weaker, or sicker. If a producer tries to protest receiving substandard feed or smaller animals, the processor is legally allowed to retaliate by continuing to deliver smaller animals or low-quality feed, and offering a less favorable contract the following season.

In addition, processors are legally allowed to include confidentiality clauses in contracts, which they use to favor themselves. Perhaps most egregiously, if a producer challenges a processor in court for unfair treatment, they must show a processor's actions hindered general economic competition for all producers in addition to hurting their own operation—an impossible standard.

YOUR VOICE NEEDED: SUBMIT A COMMENT

Producers deserve a more level playing field when raising animals under contract. Later this year, USDA will accept comments on a draft rule that may help address some of these issues. The Center for Rural Affairs will submit comments asking USDA to create fairer conditions for contract livestock and poultry producers, but our voice alone won't be enough. Will you consider submitting a comment?

To learn more, watch our website at cfra.org/competition, which we will update with a template comment when USDA's comment period is open. We'll also include instructions on how to submit a comment to USDA which can be done easily and anonymously, if desired.

USDA needs to hear from rural America that unfair treatment to poultry and livestock producers cannot continue.

STATE OF ENERGY INDEPENDENCE IN IOWA, SOUTH DAKOTA, AND NEBRASKA

BY JOHNATHAN HLADIK, JOHNATHANH@CFRA.ORG

Anyone who has invested in a distributed generation system will freely admit that the sun does not always shine and the wind does not always blow. This atmospheric reality can make it difficult for producers to rely exclusively on distributed energy. To overcome intermittency, system owners can choose to ration their energy use, invest in battery storage, or remain connected to the electric grid.

In states that allow for net metering, there is a financial incentive to do so. In these states, distributed generation system owners receive retail credit from their local utility in exchange for the excess energy they transfer to the grid. | File photo

Many find maintaining a grid connection to be the best solution. In states that allow for net metering, there is a financial incentive to do so. In these states, distributed generation system owners receive retail credit from their local utility in exchange for the excess energy they transfer to the grid. This credit can be used to offset energy use at night or on windless days, and a system owner that produces more energy than required is reimbursed at a predetermined rate. This rate most often equals "avoided cost," which is simply the cost the utility avoids by not having to produce that increment of power.

Each state has considerable latitude in its approach to net metering, subject only to the broad requirements found in the Public Utility Regulatory Policies Act of 1978. Three states, including South Dakota, have no policy at all. Others, such as Iowa, do not explicitly authorize net metering in statute but do enforce through regulation. The vast majority of states, including Nebraska, have established statewide interconnection and net metering rules through legislation.

No matter the approach, legislation to shape or eliminate net metering policy is frequently introduced. The 2019 legislative session was no different. Both Iowa and Nebraska saw proposals that, if passed, would have had significant implications for distributed generation system owners.

In Iowa, Senate File 583 and House File 669 would have allowed investor-owned utilities to charge distributed generation system owners with annual tariffs. Doing so would have cost system owners an estimated $300 per year, effectively discouraging investment in private renewable energy systems and making this option cost prohibitive for many Iowans. The bill passed the Senate but stalled in the House.

Legislative Bill 509 was proposed in Nebraska. This bill would have placed limits on the fees a utility could charge a customer who generates a portion of their own electricity through net metering. Additionally, LB 509 would have allowed facilities of up to 100 kilowatts to qualify for net metering, an increase from the current 25 kilowatt cap. This bill remains stalled in the Natural Resources Committee.

The relative strength of a state's net metering policy is an important factor when considering whether to invest in a distributed generation system. Advocates of energy independence have long fought to enact and improve policies, often with favorable results. There is still progress to be made. However, it is increasingly important that advocates remain vigilant in the face of proposals meant to eliminate key incentives and turn back the clock.

STAFF SPOTLIGHT

WYATT'S DEDICATION TO RURAL AMERICA CONTINUES

BY LIZ DAEHNKE, COMMUNICATIONS CONSULTANT

His first job was in agriculture. Wyatt Fraas spent summers bucking hay bales as the wagon he rode on swayed and creaked across the field, trying to pitch him, and the bales, to the ground.

Throughout the years, he has continued working to better rural America. Today, Wyatt maintains a strong connection with his agricultural roots as assistant program director in the Farm & Community Program at the Center for Rural Affairs, a position he has held for 15 years.

He handles program, grant, and project management—meaning he does everything from supervising staff members to developing partnerships with other organizations and agencies to advising beginning and retiring farmers.

"My role is as much about growing my co-workers as it is about providing information to farmers, ranchers, and community members," said Wyatt.

Background knowledge and firsthand experience in the fields of natural resources, biology, and ecology have given Wyatt the ability to approach community development, food systems, farming, and ranching from the ground up.

"I worked for the U.S. Forest Service in Wyoming, learning conflict resolution to deal with

Wyatt Fraas

disgruntled ranchers," he said. "I managed a ranch in New Mexico, learning hard lessons about drought and profits. I worked for a conservation district in Wisconsin, learning how strong women had to be to deal with employment discrimination. In between, I observed soils, plants, and animals in a number of climates."

With such extensive knowledge of the natural world, Wyatt has strived to bring what he can to the Center, to help rural America today, and in the future.

"I want to improve resource management so that my children—and now my grandchildren—have better access to clean air, clean and abundant water, fertile soil, healthful food, and flourishing wildlife," he said. "When I help farmers and ranchers achieve their own goals for the land and for their families, I make progress toward mine."

Wyatt's deep respect and admiration of rural America started in his youth.

"I grew up in a very rural area of Ohio at a time of small, diverse farms," he said. "My generation of young farmers bore the brunt of the 1980s farm crisis, and vanished from the fields and small towns. I wasn't a farmer among them, but I watched them leave. I now raise some of my own food and cherish the neighbors who raise more of it for me."

He credits the people of rural America as some of the most valuable in the nation, and feels honored to help them.

"Rural America is where most of our national wealth originates—from the soil, mines, and forests," he said. "The people who make their livelihoods from living near and harvesting those resources are the most important in the country. Our economic and social systems all depend on the health of our environment, and our farmers and ranchers control many of the sources of our water and wildlife."

In their free time, Wyatt and his wife tend a large garden and raise sheep at their home outside of Coleridge, Nebraska.

Wyatt can be reached at the Center's office in Hartington, Nebraska, at 402.254.6893 or wyattf@cfra.org.

CONNECTING CAPITAL, CONTINUED FROM PAGE 8

Local entities interested in doing more might consider tax or utility abatement incentives. Local, state, or federal partnerships could be further developed to capitalize nonprofit loan funds and expand their impact. Loan guarantee programs, such as the USDA home loan guarantee program incent traditional lenders into the market.

We know that access to affordable, desirable housing in small towns is as important as quality jobs, schools, health care, and other cornerstones of a vibrant community.

At the Center, we are considering expanding our small business lending programs to include small town housing lending. Small dollar mortgages, down payment loans, and workforce housing mortgages are programs we may offer in the future.

Is helping families become home owners a challenge in your community? What solutions are you seeing? Get in touch to share your thoughts.

Center for Rural Affairs
145 Main Street, PO Box 136 | Lyons, NE 68038-0136
cfra.org | info@cfra.org

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The state of energy independence
Inside: Still progress to be made on policies

FROM THE DESK OF THE EXECUTIVE DIRECTOR

CONNECTING CAPITAL AND SMALL TOWN HOME OWNERSHIP

BY BRIAN DEPEW, BRIAND@CFRA.ORG

Home ownership increases family and community stability. When residents live in a community they shop at local businesses, take part in community organizations, and send their children to local schools. Home ownership is also a key strategy to help low and middle income families build assets.

In many regions, rural residents benefit from more affordable housing stock. In 20 rural counties in our home state of Nebraska, more than 60 percent of houses sell for under $70,000, for instance.

Yet, limited access to traditional mortgages can keep affordable houses out of reach for residents. Fewer than one-quarter of homes sold for under $70,000 are financed with a traditional mortgage, often due to a lack of lender interest. This can translate to no viable path to home ownership for families in our communities.

For new home construction, the challenge is different. Here, housing developers face tight margins that limit new home construction even when there is a market. And, for families who want to buy new homes, traditional lenders often won't lend the full amount because the house may appraise at less than the cost to build.

In both cases, limited access to capital through traditional mortgages becomes a barrier to home ownership. There are several ways communities are responding.

• Local investment clubs — This model has been deployed in several Nebraska communities. The clubs are for-profit organizations whose members make a $100 monthly investment. The model is operating in communities as small as 250 people. Investment clubs stimulate new home construction by lowering the risk housing developers face by guaranteeing a quick sale.

• Nonprofit loan funds—Community Development Financial Institutions and nonprofit loan funds are filling gaps in some communities. With a mission to serve low-income families, and the ability to be more flexible with loan terms, nonprofit loan funds can make first or second mortgages to help low-income families become home owners.

• Public investment—Local units of government often make lots available for new construction.

—SEE CONNECTING CAPITAL ON PAGE 7