



# CENTER *for* RURAL AFFAIRS

YOUR RURAL NEWS FOR OVER 45 YEARS | LYONS, NEBRASKA | POPULATION 851 | NOVEMBER AND DECEMBER 2020

## ENTREPRENEURS FIND SUCCESS BY BREATHING NEW LIFE INTO OLD ITEMS

BY LIZ DAEHNKE

**L**ike many locally-owned businesses in small towns, Old Cottonwood, in Utica, Nebraska, is more than just another store—it’s the hard work, dedication, and dreams of the owners coming to fruition.

From selling part-time in their online Etsy shop, to expansion into a brick and mortar store, Brent and Leah Daehling have run Old Cottonwood since 2005.

“I think without realizing it, both Brent and I had interest and a talent for certain aspects of our business long before we made this our full-time gig,” said Leah. “Lots of our previous jobs, interests, and passions helped pave the way for us to be where we are now—owners of an antique store and makers/finders of some amazing things.”

As the business grew, Old Cot-



In July 2019, Brent and Leah Daehling opened a storefront for their antique venture in Utica, Nebraska, with the help of a small business loan from the Center for Rural Affairs. | Photo by Craig Eberle

tonwood demanded all of Brent and Leah’s attention, so they both started working full-time six years ago, then opened their storefront as a sole proprietorship on July 5, 2019. Though they have a handful of people who help them out, Brent and Leah are the only

employees.

That hard work has paid off.

“There’s always a need to save old, fix old, and recycle pieces,” said Leah. “We sell antiques in the industrial, farm, primitive, and unusual realm. Brent also fixes

—SEE ENTREPRENEURS ON PAGE 3

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## USDA ENACTS CONGRESS’ MANDATE TO LOOSEN PAYMENT RESTRICTIONS, LARGEST FARMS WILL BENEFIT

BY ANNA JOHNSON, ANNAJ@CFRA.ORG

**W**ho deserves farm payments? The Center for Rural Affairs has long maintained that farm payments should be reserved for family farms facing difficult times, but

the government and taxpayers should not support checks without limit to the largest operations.

While Congress has enacted limits on farm payments, Congress

—SEE PAYMENT RESTRICTIONS ON PAGE 2

# EDITOR'S NOTE

BY RHEA LANDHOLM, RHEAL@CFRA.ORG

At the Center for Rural Affairs, the majority of our staff have worked from home for eight months now and will continue to do so for the foreseeable future. Like many of you, I have adjusted to my remote rural life.

I am thankful that I live in a small town where I can continue my daily routine of a socially distanced walk. My dog loves visiting our community park to watch the geese and sniff where the frogs and turtles have traveled.

For this edition, we chose stories to highlight our core value of



“PROGRESS that strengthens rural communities, small businesses, and family farms and ranches.” Our rural communities are

adjusting and small businesses are pivoting. This pandemic has done a number on us, but time and time again, those who live in rural areas show they are resilient. We are making progress.

You'll read about a ranch that started meat processing classes, a small business doing its part to keep its town thriving, and Tribal communities coming up with new ways to access and grow their own food.

And, perhaps the most exciting announcement is in our executive director's essay. I'll let you continue reading to find out more.

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## PAYMENT RESTRICTIONS, CONTINUED FROM PAGE 1

and the U.S. Department of Agriculture have failed to close loopholes that enable the largest farms to maneuver around them.

Most farm payment programs are subject to a maximum payment, and generally farms with an adjusted gross income (AGI) of more than \$900,000 are ineligible for farm payments.

But, under U.S. Department of Agriculture (USDA) rules, many farms can claim multiple maximum payments for several individual family members involved in the operation.

Congress loosened what restrictions are in place in several notable ways in the 2018 farm bill, and the USDA has recently released a rule codifying these changes.

The Center opposed these changes and urges Congress to act to rectify them.

One major change expands the

number of family members who can claim farm payments. Previously, direct family members, such as parents, children, and spouses involved in the operation could each claim a payment individually. Now, nephews, nieces, and cousins are all allowed to claim payments as well. While most family farms don't pursue multiple payments for multiple family members, the few who do can now bring in millions of taxpayer dollars in payments.

Another notable change is with Marketing Assistance Loans. Farmers with excess commodity on hand can use it as collateral to receive this type of loan from the USDA when prices are low. And, when prices increase, they sell and pay off the loan. The 2018 farm bill removed the payment limitation of \$125,000 from Marketing Assistance Loans.

The farm bill removed similar payment caps from other farm payment programs, such as Loan Deficiency Payments, which are the alternative to Marketing Assistance Loans for farmers who prefer a lower payment to a loan; and Marketing Loan Gains, which is the profit that farmers can keep from a Marketing Assistance Loan if the commodity price goes higher than expected.

Other support programs that lost their payment caps are the Noninsurance Disaster Assistance Program, which offers a form of insurance for crops where no insurance product is available; the Emergency Conservation Program, which offers payments for certain conservation activities in the wake of natural disasters; and the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish.

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## PAPER & E-NEWS

This newsletter is available both electronically and in print. To receive it online, sign up at the Center's website, [cfr.org](http://cfr.org), or email us at [info@cfr.org](mailto:info@cfr.org).

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## ENTREPRENEURS, CONTINUED FROM PAGE 1

old pieces of furniture and makes one-of-a-kind items.”

And, fortunately for the owners, their passion is something customers enjoy as well.

“We’ve seen a need/want for people to find quality old pieces to weave into new stories,” said Leah. “We really enjoy—and as luck would have it, are good at—finding classic and unusual old stuff. Our customers love our take on old, our perspective on incorporating it into their lives, and Brent’s ability to take a downtrodden piece and make it relevant and usable in today’s home.”

Though they had the merchandise side of the business figured out, obtaining financing to buy and renovate a storefront was a challenge.

“After a stressful two months of navigating the unknown world of attempting to buy a building as a small business through normal loan avenues and continually being told no, we were told about REAP through the Seward County Chamber and Development Partnership,” Leah said.

The Center for Rural Affairs’ Rural Enterprise Assistance Project (REAP) provides financing and training to small businesses in Nebraska. The Daehlings felt like they were in good hands with loan specialist Craig Eberle.

“Our meeting with Craig was the first time we felt like we had an advocate,” said Leah. “Craig was the person we needed—he met us where we were at, asked us hard questions, listened to and answered every single question we had, gave us options and truth, and helped us figure out if this was a smart, feasible, and doable next step for us.”

Craig was happy to assist the Daehlings in making their business dreams a reality. He worked with them on forming a business plan and eventually helped them close on their “dream building.”



Brent and Leah Daehling had the merchandising side of their business figured out, but needed assistance in obtaining financing to buy and renovate a storefront. They found help in Center for Rural Affairs’ small business loans. | Photo by Craig Eberle

With financing from REAP, the business owners were also able to renovate their new storefront.

“Since opening our brick and mortar, we have been blown away by the support of our customers,” she said. “We are humbled by how many people travel from all over to shop our store—that is just so, so good for the heart.”

Craig agrees that moving Old Cottonwood into its current home has been a successful transition.

“They have done an amazing job with the building, and are becoming part of an overall downtown revitalization effort that is going on in Utica,” said Craig. “The town is very supportive of the business.”

Leah says all good things come with challenges, and running their own business has been no exception, though it’s worth it.

“Each step/growth area in our business is the new ‘hardest work of our lives,’ this store being no different,” Leah said. “But, we do love it, and loving it makes it easier to show up for when it’s hard.”

Eventually, the couple wants to expand their business, but for now, they’re staying busy keeping up with its ever-changing needs.

“Every aspect of our business has been or is fluid,” said Leah. “Literally everything has been tweaked, molded, changed, pivoted, and tweaked some more.”

Having help along the way has made all the difference in Brent and Leah’s journey as business owners.

“We had a wonderful experience working with the Center,” said Leah. “Craig was without a doubt the corner piece of the puzzle we needed. He worked tirelessly to help us in any way he could. He went above and beyond in every capacity. He was a true advocate for our small business—we trust him, and that was a really good feeling as we were stepping into this huge, scary unknown.”

*The Center for Rural Affairs’ small business program provides loans throughout Nebraska. To learn more, visit [cfa.org/loans](http://cfa.org/loans).*

# PROGRAM ASSISTS FARMERS AND RANCHERS WITH CONSERVATION GOALS

BY KATE HANSEN, KATEH@CFRA.ORG

Signups are now open for the Conservation Stewardship Program (CSP), which has helped farmers and ranchers achieve conservation goals on their operations for nearly two decades.

Administered by the Natural Resources Conservation Service (NRCS), CSP offers technical and financial assistance to enhance conservation over a five-year contract period, with the option to renew. Interested producers should reach out to their local NRCS office, which can be found here: [offices.sc.egov.usda.gov/locator/app](https://offices.sc.egov.usda.gov/locator/app).

Over the past few months, we've been researching the impacts of CSP in Nebraska and Iowa. We discovered that the two states are leading the nation in multiple aspects.

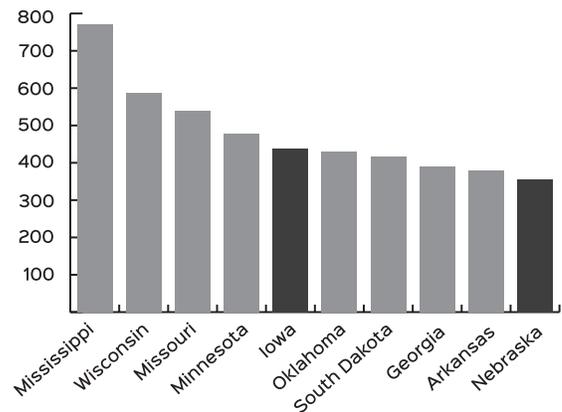
## Top 5 CSP practices

NEBRASKA	IOWA
1 Cover crops	1 Cover crops
2 Herbaceous weed treatment	2 Integrated pest management
3 Tree/shrub establishment	3 Nutrient management
4 Conservation cover	4 Herbaceous weed treatment
5 Structures for wildlife	5 Residue and tillage management, no-till

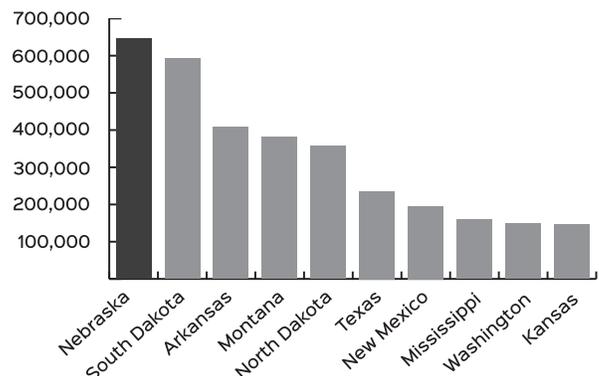
## Total farmland enrolled in CSP (2018)



TOP 10 STATES BY NEW CSP CONTRACT ENROLLMENT, 2018



TOP 10 STATES BY RENEWED CSP ACRES, 2018



For more information, check out our fact sheets, “Impacts of the Conservation Stewardship Program in Nebraska” and “Impacts of the Conservation Stewardship Program in Iowa” at [cfra.org/publications](https://cfra.org/publications).

# TRIBAL FOOD SOVEREIGNTY DURING COVID-19: EDUCATION, ACCESS, DISTRIBUTION, AND RESILIENCY

BY HENRY MILLER

**A**cross rural America, we have eased into new norms and routines. Each of us is attending to the impacts of COVID-19 on our friends, families, and communities as we reflect on these unprecedented times.

Similarly, yet distinct, Tribal communities and Indigenous people have been presented with unique challenges across America that many of us may not be familiar with. By taking a closer look at how food sovereignty rebuilds disconnected nutrition systems in Native communities, we can begin to understand how education, access, distribution, and resiliency address intersecting challenges and opportunities.

This global pandemic is disrupting Tribal communities' food systems and is disproportionately deadly for Indigenous communities and for people of color. The Center for Rural Affairs works alongside both the Omaha Tribe and the Santee Sioux Nation who have implemented lockdown measures, have confirmed cases of COVID-19, and some individuals have lost their lives.

High levels of diabetes, obesity, and chronic obstructive pulmonary disease (COPD) in Tribal communities place many at greater risk of COVID-19 due to historically disrupted food systems.

"We're just not getting the nutrients we need from Indigenous foods," said Lizzie Swalley, Center community food associate.

Between the flooding of last spring and COVID-19, many Tribal members are rethinking the immediacy of food sovereignty.

Simultaneously, many recognize the importance of the global pandemic's centralized histori-



The Center for Rural Affairs organized volunteers during coronavirus distancing efforts to unload and hand out 300 food boxes every other week to both Native and non-Native residents on the Omaha Reservation. | Photo by Suzi French

cal and generational trauma that transcends the present moment. COVID-19 threatens cultural erasure. Thus, reconnecting millennia-old nutrition systems is key to preserving the past, surviving in the present, and securing Native futures.

"Where we need to hit hard is getting students to eat healthy and really get them to understand the education behind what the tomato is providing them," Lizzie said.

Access to healthy foods is affecting choices for both the youngest and eldest in Nebraska's Tribal communities. Distribution is the next focus.

Through each of these challenges, stories of resiliency and problem solving bring pride to communities. Suzi French, community food associate on the Omaha Reservation, describes how all of the garden preparation programs and workshops were canceled, but she still needed to distribute more than 200 bags of seeds to eager gardeners. Through true rural know-how, she was able to make that happen. She set seed packets on fence posts along the road near her house.

"People picked them up," Suzi said. "It was amazing."

In Santee, the number of individual gardens doubled from 30 to 60, with more people than ever signing up. New gardeners can ask questions regarding weed control, watering, and other topics, via text message, phone calls, or on social media. Like so much of this labor, the work of Lizzie and her assistants is often masked behind the chaos of COVID-19.

Communities across rural America are faced with new challenges and opportunities during an unprecedented time. In Tribal communities, these challenges are eminent, and we must listen to and trust each community's plan of action regarding the safety of their residents and the sovereignty of their local food systems.

"We didn't get this way overnight," Lizzie said. "So, it's going to take us time to get to where we want our community back to—growing healthy, natural foods."

Tribal communities across our state and nation continue to serve as a testament to the resiliency and problem-solving capacity of people across rural America.

# LIVESTOCK PRODUCERS TAKE PROCESSING INTO THEIR OWN HANDS

BY JUSTIN CARTER, JUSTINC@CFRA.ORG

Growing up, Dusty VanRenan and Amanda Meier knew a thing or two about processing their own livestock.

For each, it was tradition not only to responsibly care for their animals but also to process them into a quality product. Today, they use that passion and knowledge to find new economic opportunities and assist their rural neighbors and communities.

The outbreak of COVID-19 in our nation's meatpacking plants sent an industry reeling and exposed key weaknesses in our food supply chains. Despite an abundance of livestock in the U.S., meat shortages occurred due to the bottleneck of processing.

When their futures with large industry became uncertain, livestock producers turned to smaller processors and local meat lockers. This industry received a boom in business that was well deserved.

Unfortunately, small processors often lack the labor and storage capacity to process on a large scale. Many producers have been left without processing options.

The inability to process an animal can lead to its euthanasia. This decision places tremendous stress on farmers, but unbudgeted feed costs and the fact that most processors will reject an animal past slaughter weight puts serious financial strain on farms. When Amanda and Dusty learned that some of their friends may be forced into this position, they sought a solution.

Dusty and Amanda invited their friends to their ranch in Sidney, Iowa, taught them the ins and outs of butchery, processing, and



Individuals can learn how to process and slaughter hogs and cattle in introduction to butchery classes provided by Dusty VanRenan and Amanda Meier. The venture was started after many producers were left without processing options. | Photo submitted

packaging. In two months, they have taught individuals how to process 80 hogs and 20 head of cattle.

Students enrolled in the class purchase their own hogs or cattle directly from farmers. Dusty will then pick up the animals and hold them until the class.

Two types of sessions are offered: processing and slaughter. Processing starts with a skinned and halved animal that has already chilled and aged. Students are taught the generic breakdown, processing, and packaging.

Dusty and Amanda highlight the importance of giving people the assurance that comes with education.

“It gives them the knowledge to go out and buy something in the future knowing how it was processed and where the cuts

come from, and to participate and purchase livestock at fair prices in the markets,” Amanda said.

The introduction classes have been a hit. Dusty and Amanda have plans to expand.

“Our hope is to start a mobile butchery unit that can travel to different farms and focus on educational classes,” said Dusty. “A mobile unit would allow us to travel to areas of greater demand and slaughter on a farm which is less stressful on an animal.”

Dusty and Amanda's story is another example of how rural communities have risen above the challenges forced upon them during this unprecedented time and shown what true fortitude and grit look like—coming together to make sure neighbors, friends, and family are safe, well-fed, and cared for.

# BILL INTRODUCED IN U.S. HOUSE WOULD ALLOW SMALL MEAT LOCKERS TO EXPAND

BY TERESA HOFFMAN, TERESAH@CFRA.ORG

Legislation introduced in late September supports local business and livestock producers.

The Strengthening Local Processing Act was introduced in the U.S. House of Representatives by U.S. Reps. Chellie Pingree (D-ME) and Jeff Fortenberry (R-NE).

This bill seeks to address market disruptions created by the coronavirus pandemic.

When the country's largest processing facilities had to close, commodity producers flooded local meat lockers with their product. With already limited reservation space being taken up by large growers, longtime customers had to schedule orders up to one year in advance.

The recent growth in consumer demand for local food ensures this backlog will continue.

This bill would allow small meat processors to expand their capacity to process animals and serve more rural livestock producers.

"New markets are new opportunities," said Johnathan Hladik, policy director for the Center for Rural Affairs. "Small meat lockers



Small meat lockers like this one in Blair, Nebraska, are booked up to one year in advance. A new bill will allow these businesses to expand their capacity. | Photo by Teresa Hoffman

are catalysts for economic activity. The Strengthening Local Processing Act will make it possible for these businesses to grow and expand."

As part of the legislation, a grant program to help cover costs associated with meeting federal or state inspection guidelines and to assist processors in expanding their infrastructure would be established.

"Like many local processors, we have seen a significant growth in demand for our services," said Mike Boell, owner of the Oakland (Nebraska) Meat Processing Plant. "Right now, regulatory and financial barriers are making it difficult

for businesses like ours to take full advantage of this opportunity. The Strengthening Local Processing Act is a step in the right direction and we think it deserves Congressional support."

Additionally, the bill invests in the next generation of small meat processors by offering grants to train small-plant operators and employees.

"This legislation reflects the priorities of farmers and business owners from across the nation," Johnathan said. "We are proud to have played a part in its development and applaud this bipartisan group of lawmakers for their willingness to act."

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## HOUSING LENDING, CONTINUED FROM PAGE 8

arena. The MicroMortgage Marketplace, a new partnership launched this summer in Kentucky and southern Indiana, is making mortgages of up to \$100,000 to borrowers with a credit score of 640 or better at interest rates of 4.5 percent.

The coronavirus-induced economic recession has further

highlighted the need for community-based lenders in the mortgage market. Major mortgage lenders have raised the bar for new loans. One recent news report indicated that JPMorgan Chase will make mortgages only to new customers with minimum credit scores of 700 and down payments of 20 percent or higher.

Many low-income, low-asset borrowers will be left out of homeownership if there are not alternative paths to buying a house.

We will offer that alternative. Together, we will create a strong rural economy where everyone has the opportunity to build a quality life for their families.



# CENTER *for* RURAL AFFAIRS

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## Inside: Local meat processing

A bill that would allow small lockers to expand

FROM THE DESK OF THE EXECUTIVE DIRECTOR

# CENTER TO LAUNCH HOUSING LENDING PILOT

BY BRIAN DEPEW, BRIAND@CFRA.ORG

**A**ffordable housing plays an instrumental role in rural community vibrancy and local economic development. Homeownership increases family and community stability, supports local businesses, and boosts local schools.

Our mission as a community-based lender is to create an economy that works for everyone who calls rural America home.

To fulfill that mission, the Center for Rural Affairs plans to begin offering single family housing and homeownership loans in rural Nebraska by leveraging our existing business lending capacity.

We started exploring how we could support rural housing in 2019. Thanks to a recent grant

award of \$557,000 from the Community Development Financial Institutions (CDFI) Fund at the Department of Treasury, we will move toward a pilot lending phase in the coming months.

Homeownership is a key strategy to help low- and middle-income families build assets and take a step toward financial stability.

Rural areas tend to have fewer quality housing options available compared to urban communities. Small towns suffer from low home vacancy rates, aging housing stock, insufficient rehabilitation, and lack of new home construction.

Home prices in the rural Midwest remain modest compared to many other areas of the U.S. Even with modest home prices, home-

ownership remains a dream for hardworking families who struggle with stagnant wages and lack of access to traditional mortgages.

Furthermore, the rate of homeownership by minorities nationwide remains significantly lower than their white neighbors. In Nebraska, the homeownership rate for Latino residents is 42 percent compared to 70 percent for non-Latino white residents.

We strive to address these challenges by offering housing loans that increase homeownership opportunities for low- and middle-income and minority residents in rural Nebraska.

We're not alone. Other community lenders have joined this