



CENTER *for* RURAL AFFAIRS

YOUR RURAL NEWS FOR OVER 45 YEARS | LYONS, NEBRASKA | POPULATION 851 | MAY & JUNE 2019

PETERSBURG: POTENTIAL IN WIND ENERGY

BY LU NELSEN, LUCASN@CFRA.ORG

New opportunities for growth can be difficult to find in a rural community. Bringing in economic development is key to the vitality of small towns, allowing local economies to thrive, and creating jobs in rural areas. Luckily, in Nebraska, we can take advantage of a growing industry that delivers a wide variety of benefits to communities around the state.

Nebraska ranks fourth in the nation in wind energy potential with the ability to generate 465,000 megawatts (MW) through the state's wind resources. Tapping into these resources not only provides us with clean and renewable energy, it also opens up a wide array of economic development opportunities. Wind projects generate a significant amount of tax revenue for rural counties thanks to Nebraska's nameplate capacity tax of \$3,518 per MW. In 2017, this tax added \$3,065,623 in revenue, enabling counties to fund important services without increasing the tax burden on local residents.

On top of tax revenue, wind projects also create new jobs during their construction and once they become operational. In addition, projects offer new income to landowners in the form of land-lease payments, helping farm and

—SEE PETERSBURG ON PAGE 2



Liz Flores, left, her daughter, and her son-in-law opened LizCake – Panaderia y Pasteleria in Scottsbluff, Nebraska, with the help of the Center for Rural Affairs' one-on-one counseling and technical assistance. | Photo by Anthony Gurrola

VISIONS OF FRESH MEXICAN BREAD ARE NOW A REALITY

BY ANTHONY GURROLA, ANTHONYG@CFRA.ORG

Liz Flores had a vision, a dream in a sense, to one day start her own bakery. A place where the smell and taste of fresh Mexican bread and rich, hot coffee would summon people of all walks.

After spending years in baker-

ies and gaining valuable business experience, Liz left Denver's big city life in her rear view mirror and relocated to Scottsbluff, Nebraska.

"I was nervous to be moving to a new part of the country where heavy traffic and millions of people

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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 "genuine OPPORTUNITY for all to earn a living, raise a family, and prosper in a rural place."

In this edition, you will read about Liz Flores who opened a Mexican bakery, after noticing a need in her town. She's creating opportunity for herself, her family, and her neighbors.

Residents in Petersburg, a town of just over 300, found opportunities for growth in wind development. With the addition of nearby wind turbines, jobs were created, houses were built, and families

have moved in.

We explain the USDA rulemaking process and how you have the chance to comment on changes in farm bill programs later this year.

The state of Iowa has an opportunity to clean up its water. Despite investments over the past two decades, there is much room for improvement. We recently released a paper outlining ways to move forward.

Unfortunately, we learn the state of Nebraska is not giving our hardworking neighbors a fair opportunity after voters approved expanding the state's Medicaid program.

In our executive director's essay, he talks about changes made in the farm bill to loosen



restrictions on growing hemp. He identifies factors communities and lawmakers should consider to give family farms an equal opportunity.

Lastly, you will meet Kayla Bergman, a policy associate based in Iowa, who is focusing on expanding the Center's work in rural Iowa and southern Minnesota on the topics of climate and clean energy.

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while boosting the local economy. These benefits aren't hypothetical. One community that experienced these benefits firsthand was Petersburg, a small rural community located in northeast Nebraska.

The residents of Petersburg, a town of just over 300, had their first experience with wind development in 2010 when a developer was looking for a site to build an 80 MW project. In 2011, a 40 MW project was considered for the nearby area, and an additional 200 MW project was built in 2014. One thing that was key for the citizens of Petersburg was to not let this economic development opportunity pass them by. Early

on, they reached out to project developers, and they made an effort to make employees feel welcomed as part of the community.

After each of these projects was completed and put into service, Petersburg enjoyed the benefits that wind energy can bring to a small town. The new wind projects supported about eight full-time local jobs, and the development of 15 new homes built since the last project was completed. With those new jobs and homes, about the same number of new families moved to the town.

Nebraska, as well as other states in the Midwest and Great Plains, has great potential to

generate renewable energy and reap the benefits. To capture that potential, developers and local officials will have to work with community members to determine the best way to build projects. By working together, places like Petersburg can find new economic opportunity that can help build a stronger, more vibrant future for their communities.

FEATURED VIDEO

To learn more about the experience in Petersburg, watch a video on our YouTube channel at youtube.com/c/CfraOrg.

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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LizCake – Panaderia y Pasteleria in Scottsbluff, Nebraska, specializes in Mexican bread, served fresh every day. Owners Liz Flores and her daughter, pictured right, also provide free coffee to customers. In addition, they sell cakes, cookies, and snacks. Liz received business counseling from Center for Rural Affairs Loan Specialist Anthony Gurrola. | Photos by Anthony Gurrola

MEXICAN BREAD, CONTINUED FROM PAGE 1

were traded for a rural community,” Liz said. “Although the community scale is greatly reduced in size, I was still uneasy with learning how to navigate through my new community.”

To settle in, she decided to start her own business, LizCake – Panaderia y Pasteleria. And, she was supported by her family, essentially making LizCake a three generation business.

“My dream has always been to start my own bakery,” Liz said. “When my daughter married her husband and he was a baker, I thought we would make a great team.”

And, to help make the venture a reality, she reached out to the Center for Rural Affairs’ Rural Enterprise Assistance Project (REAP).

“We noticed there was a need for a Mexican bakery in this area,” Liz said. “We’ve struggled with the process of opening our bakery, but with friends like the Center for Rural Affairs helping us, we’ve been able to move forward.”

Anthony Gurrola, a Latino loan specialist with the Center, helped her with one-on-one business

“WE’VE STRUGGLED WITH THE PROCESS OF OPENING OUR BAKERY, BUT WITH FRIENDS LIKE THE CENTER FOR RURAL AFFAIRS HELPING US, WE’VE BEEN ABLE TO MOVE FORWARD.”
—LIZ FLORES, BUSINESS OWNER

counseling and technical assistance.

“I provided key assistance to Liz’s business startup that helped facilitate community integration, networking, and broke down communication barriers,” Anthony said. “I also guided the family toward important contacts within the business community and translated when needed.”

Through this business support, utilities were connected, landlord requirements were understood, inspection requirements were passed, licenses were granted, and their first dollar had been officially issued by the Scottsbluff/Gering United Chamber of Commerce.

“Now that Liz’s dream has become reality, she can enjoy operating her business, and making roots within her new community,” Anthony said.

And, people are gathering in Liz’s business, just like her vision. She specializes in Mexican bread, served fresh every day, and provides free coffee, with the aromas beckoning customers into the door. She also sells cakes, cookies, and snacks.

“Our grand opening was beautiful,” she said. “We had a lot of people come by and there has been a lot of activity. It’s great to be in this business.”

AT A GLANCE

LizCake – Panaderia y Pasteleria
Address: 815 E Overland, Scottsbluff, Nebraska 69361
Phone: 308.672.4475
Hours: Monday and Wednesday through Saturday, 7 a.m. to 9 p.m.; Sunday, 8 a.m. to 7 p.m. Closed Tuesday.

FARM BILL IMPLEMENTATION AHEAD

BY ANNA JOHNSON, ANNAJ@CFRA.ORG

The final farm bill passed in December 2018. Now, our attention turns to the U.S. Department of Agriculture (USDA), which is responsible for enacting the farm bill. Below describes how and when your input is particularly valuable.

First, after the farm bill is passed, USDA must determine which farm bill changes can be implemented immediately because the direction in the law is clear, and which require interpretation. USDA has started to roll out announcements regarding farm bill changes on Whole Farm Revenue Protection and the Environmental Quality Incentives Program. USDA is able to release these guidances quickly because the law left no room for interpretation.

Some changes in the farm bill, however, leave room for USDA's discretion. For conservation programs, this means rulemaking to determine how to enact these changes. The main steps of this process are:

- 1) USDA develops a document with proposals for changes to a program.
- 2) USDA publishes this



The USDA is expected to release three conservation rules this fall, and will invite the public to submit written comments. Your input is valuable. | Photo by Kylie Kai

document, called a rule, in the Federal Register, with a request for the public to submit written comments on its contents.

3) Members of the public submit written comments with thoughts, support, or counter-proposals on USDA's rule. Your input at this stage is incredibly valuable.

4) USDA analyzes the public comments, and incorporates them in development of a final rule. The final rule is also published in the Federal Register.

USDA has shared publicly that they expect to release three conservation rules this fall, one each

to incorporate major farm bill changes for the Environmental Quality Incentives Program, the Conservation Stewardship Program, and the Agricultural Conservation Easements Program.

When the time comes to submit a comment, remember that USDA appreciates distinct comments from individuals. Even if you don't have thoughts about every piece of the proposed rule, comments on the parts you care about are valuable. Watch our website for further updates and analysis.

And, stay in touch with us. Please don't hesitate to reach out to us about conservation or other farm bill topics at annaj@cfra.org or coraf@cfra.org.

GRANTS AVAILABLE TO IOWA FARMERS

BY RHEA LANDHOLM, RHEAL@CFRA.ORG

Grants are available for Iowa farmers impacted by the recent flooding.

The Center for Rural Affairs is partnering with Farm Aid and Iowa Farmers Union to provide grants up to \$500. Individuals must be located in an area damaged by the recent flooding and must be farmers.

"We are working together with partners to help farmers navigate

the recovery process," said Cora Fox, policy associate at the Center for Rural Affairs. "We understand the challenges farmers face, and want them to know that they aren't alone."

The grant can be used for household expenses, including medical bills, and may not be used for professional expenses related to farming operations.

To apply, visit cfra.org/2019FloodGrant.

Nebraska farmers impacted by recent flooding and looking for assistance can reach out to Interchurch Ministries of Nebraska, which is partnering with Farm Aid and the Center for Rural Affairs. They can be reached on the Nebraska Rural Response Hotline at 800.464.0258.



In a recent report, the Center for Rural Affairs analyzes 83 years of water policy in Iowa, while also deciphering the regulatory framework for existing government rules, and providing recommendations for future policy changes. | Photo by Cody Smith

PROGRESS HAS BEEN MADE, BUT CHALLENGES REMAIN IN IOWA'S PURSUIT OF CLEAN WATER

BY CODY SMITH, CODYS@CFRA.ORG

Since 2012, the state of Iowa has invested approximately \$541 million to improve water quality, an estimated \$4 to \$6 billion problem in the state. Meanwhile, the federal government has paid Iowa farmers more than \$2.76 billion for on-farm conservation practices over the past two decades. Even with this investment, water quality in the state has much room for improvement, according to a Center for Rural Affairs report released in March.

“Flowing Forward: Planning Iowa’s Water Quality Future,” analyzes 83 years of water policy in the state, while also deciphering the regulatory framework for existing government rules, and providing recommendations for future policy changes. Sources of pollution and downstream effects of poor water quality, such as

Iowa’s contribution to the “Dead Zone” in the Gulf of Mexico, are also discussed.

“Iowa’s water quality challenges are incredibly complex,” said Katie Rock, policy associate at the Center for Rural Affairs and author of the publication. “With a complete, contextual analysis of the situation, we can be better informed in our efforts to clean up Iowa’s water.”

The publication identifies ongoing efforts to address water quality including federal task forces, public and private partnerships, and the role of state entities, such as Watershed Management Authorities and public universities.

Last year, Iowa lawmakers passed Senate File 512, which granted \$282 million over the next 12 years for water quality projects. The report applauds the new boost in funding as a good first step,

while encouraging more action from Iowa’s leaders.

“This session, lawmakers have largely ignored the topic of water quality in the statehouse,” said Rock. “While progress has been made, many challenges remain, and Iowa can chart its own path forward by focusing on watershed and farm-level planning.”

The report calls for the creation of robust state-level standards for watershed planning, in addition to a farm-level certification program with similar standards which would guarantee farmers regulatory certainty. The publication states the implementation of these programs calls for improvements in interagency coordination at the local, state, and federal levels.

To view or download the report, visit cfra.org/publications/FlowingForward.



In Nebraska, Utah, and Idaho, actions by legislators or administrators seek to alter the expansion of Medicaid coverage from what was enacted by voters. The issue passed on ballots in each state last November. | Photo by Rhea Landholm

EXPANSION EFFORTS HIT SNAGS IN STATES WHERE VOTERS EXPAND COVERAGE

BY JORDAN RASMUSSEN, JORDANR@CFRA.ORG

On April 1, the Nebraska Department of Health and Human Services (DHHS) submitted a State Plan Amendment to the Centers for Medicare and Medicaid Services for review. The plan is a key first step to expanding the state's Medicaid program to provide health insurance to those in the coverage gap. Pending approval, the plan outlines an October 2020 timeline for enrollment. This leaves hardworking Nebraskans in the coverage gap for nearly two years after the passage of the ballot Initiative 427.

Those in the coverage gap earn too little to qualify for subsidies to purchase coverage from the insurance marketplace and too much to qualify for traditional Medicaid. This population of adults, most of whom are working, are aged 19 to 64 and earn under 138 percent of the Federal Poverty Level, or an annual income of less than \$17,000. In Nebraska, more than one-third of the 90,000 residents in the coverage gap live in rural

counties.

Similar steps toward implementation have been taken in Idaho and Utah where expansion also passed last fall. Yet, in each of these states, actions by legislators or administrations seek to alter the expansion of Medicaid coverage from what was enacted by voters.

For example, in Utah, eligibility for expanded coverage is to be set at 100 percent of the Federal Poverty Level. This waiver leaves almost half of the 150,000 Utahns currently without access to insurance in the coverage gap. The eligibility limitation disqualifies Utah from the 90 percent match of costs, meaning the state will pay more to cover fewer people.

Nebraska DHHS also intends to submit a waiver to impose additional requirements for eligibility. Reapplication every six months and the possibility of a loss of dental and vision benefits for current Medicaid recipients are among the proposed requirements. The waiver process and

extended implementation timeline are keeping too many Nebraskans from the care they need as they live and work in rural communities.

Delayed action in Nebraska further erodes the significant economic impact of expansion in rural communities. Uncompensated care costs will continue to accumulate, putting hospitals and clinics in danger of closure. Nationally, states that have expanded Medicaid have seen a decline in rural hospital closures.

While state and federal governments and the court system deliberate the details of waivers and further mitigate the economic benefits of Medicaid expansion, thousands of residents are still unable to access care.

Voters decided to expand Medicaid coverage to thousands of their neighbors, now it is time for the state and federal governments to respect this vote and efficiently and effectively implement expansion.

STAFF SPOTLIGHT

KAYLA KEEPS HER EYES ON THE FUTURE

BY LIZ DAEHNKE, COMMUNICATIONS CONSULTANT

Though she's new to the Center for Rural Affairs team, Kayla Bergman already has big plans for her role in the organization.

Kayla does her work as a policy associate based in Iowa, and she will focus on expanding the Center's work in southern Minnesota, as well, to narrate the stories and values of Center supporters and rural citizens.

"I am building up a group of voices, representing the different groups of rural Iowans, around the topics of climate and clean energy," she said. "I will elevate these topics through those voices during the 2020 presidential caucuses by connecting with rural Iowans and other organizations involved in caucusing."

For the last four years, Kayla was a watershed coordinator in the South Skunk River Watershed in Iowa. During that time, she worked with farmers and landowners to implement conservation practices on their farms. Kayla also wrote, managed, and reported on numerous state and federal grants.

"I absolutely love working with the citizens and professionals interested in natural resources



Kayla Bergman

conservation," said Kayla. "I truly value each relationship that I made through that position, and I'm excited to form new relationships through my role with the Center."

Kayla's connection to all things rural started at a young age, and has stuck with her into adulthood.

"Rural America helped shaped me into the person I am," she said. "I grew up on a family farm in southeast Iowa and was active on the farm throughout my childhood."

Kayla's passion for rural issues comes from her belief that the

responsibility, communication, and leadership she learned on the farm, as well as through memberships in organizations like FFA and 4-H, have stuck with her through college and into her career.

"I strongly believe I am the great communicator and leader I am today because of my rural roots," Kayla said.

And, using those skills to help people in rural America is something the policy associate is looking forward to in her new role.

"I love the Center team and the authentic connection with the public in rural areas," she said. "The topics the policy team are working on, like climate and clean energy, are things I am personally very passionate about."

Kayla and her husband, Ryan, currently live in Nevada, Iowa, but hope to move to an acreage within the next year with their English Cream Golden Retriever, Rylee. They are passionate about traveling, whether worldwide or local, and love exploring new places and trying new things.

Kayla can be reached at her office in Nevada, Iowa, at kaylab@cfra.org or 402.687.2100 ext. 1034.

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essentially be doing their own variety, plant density, and fertility trials as existing university research is limited.

The crop is also currently ineligible for federal crop insurance, shifting greater risk to growers. Whole Farm Revenue Protection, promoted by the Center for Rural Affairs, is one avenue for coverage.

Finally, if communities are able to keep processing and manufacturing close to home and under local ownership, rural communities could benefit from new processing jobs. Maintaining local ownership could prove difficult, though, as with the trend in ethanol production that has resulted in almost no remaining local owner-

ship.

Those interested in industrial hemp and interested in family farm viability must work to create lasting opportunity. Without active intervention, the crop by itself is likely to do little to change the profitability of small farms or the structure of agriculture.



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Farm bill implementation ahead

Inside: Your input is needed on changes

FROM THE DESK OF THE EXECUTIVE DIRECTOR

IS INDUSTRIAL HEMP AN OPPORTUNITY?

BY BRIAN DEPEW, BRIAND@CFRA.ORG

The most recent farm bill establishes a roadmap for the cultivation of industrial hemp. Congress was right to loosen the restriction on growing this crop, a non-psychoactive relative of marijuana.

Each state now has the opportunity to establish a regulatory framework under which industrial hemp may be cultivated. If a state does not act, the U.S. Department of Agriculture will develop a uniform framework that will be applied in the state. The Center for Rural Affairs supports a bill working its way through the Nebraska Legislature to establish the framework in our home state.

What will these changes mean for family-scale farms?

Many family farm advocates lift up industrial hemp as a crop with the potential to improve farm profitability. However, we are concerned that as the crop shows profitability, it is prone to rapid consolidation in production.

Industrial hemp is an undifferentiated commodity. Undifferentiated commodities lend themselves to being cultivated on a large scale. Once legal to grow, industrial hemp is likely to be cultivated on a large scale, pushing down already modest per acre profit margins.

This will limit the benefit the new crop can offer small and medium size producers.

To guard against this trend, small and medium scale farmers interested in growing industri-

al hemp should look for ways to differentiate their crop from the outset. Niche or identity-preserved market opportunities are more likely to provide lasting opportunity for smaller growers, just as organic grain or grass-fed beef has done for other midscale growers.

There are some other factors to consider as well.

Industrial hemp has similar fertility and soil needs as corn. It grows best on fertile, well-drained soil with ample fertilization. It is a closely-planted crop like small grains, so erosion would be reduced during the growing season, but far less residue is left on the field after harvest, so risk of erosion in the off-season may

—SEE INDUSTRIAL HEMP ON PAGE 7