



CENTER *for* RURAL AFFAIRS

YOUR RURAL NEWS FOR OVER 45 YEARS | LYONS, NEBRASKA | POPULATION 851 | MAY AND JUNE 2020

SORTUM PRACTICES STEWARDSHIP

BY KATE HANSEN, KATEH@CFRA.ORG

Sarah Sortum always hoped to raise her kids on the family ranch in Nebraska’s eastern Sandhills.

She shares this goal with her brother, as the two want to ensure the ranch’s vitality for generations to come.

“At one point, we began to ask ourselves, ‘What do we want the opportunities to be like for our kids and grandkids 50 years from now? What can we do now that will support them then?’” Sarah said.

One answer was practicing conservation and stewardship of their resources.

“We really started to recognize that the healthier our resources are, the more options there are,” she said.

Fourth-generation ranchers, Sarah and her brother work alongside their parents on the family’s traditional cow-calf operation, which they have diversified in the



Fourth-generation rancher Sarah Sortum works alongside her family, including son, Emmett, on their traditional cow-calf operation in the Nebraska Sandhills, which they have diversified in the last two decades to focus on conservation. Sarah is enrolled in a five-year Conservation Stewardship Program contract. | Photo by Michael Forsberg

last two decades. Today, they primarily graze and do some back-grounding, hay, and short-term cows.

After realizing she wanted to

strengthen conservation on the ranch, Sarah learned about the Conservation Stewardship Pro-

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CENTER OFFERS LOAN RELIEF, EMERGENCY CREDIT

BY KIM PRESTON, KIMP@CFRA.ORG

The Center for Rural Affairs is committed to helping our local business partners cope with the economic impact of COVID-19. It’s part of our mission to build prosperous, healthy, and inclusive communities. And, it’s the right thing to do.

We’ve lent out more than \$21

million to Nebraska small businesses in the history of our Rural Enterprise Assistance Project (REAP). In this period of economic uncertainty, we will offer relief to borrowers experiencing a drop in revenue due to COVID-19. We know this is a difficult time for

—SEE LOAN RELIEF ON PAGE 2

SPECIAL NOTE: STAYING SAFE AND ENGAGED AS WE TACKLE THE CORONAVIRUS TOGETHER

BY BRIAN DEPEW, BRIAND@CFRA.ORG

The Center for Rural Affairs is committed to continuing our work for opportunity and justice for everyone in rural America during the rapidly evolving response to the coronavirus.

COVID-19 and the ripple effects will create new challenges for rural people and rural places. Our work may look different in the days ahead, but we will continue to serve our mission in all ways possible.

During this time, the Center will act to prioritize staff, community, and public health. We recognize staff, clients, and community members have varying risk levels from COVID-19. We're all concerned about spreading it to someone who is at risk. We will do



our part to reduce transmission.

What you can expect from us:

- Our offices closed on March 16, and will remain closed until further notice. Staff are working remotely.
- In-person Center events are canceled, postponed, or held virtually until further notice.

• Stay tuned. We'll look for innovative ways to engage communities and policymakers in the coming weeks. We also urge all to follow public health guidance, check in on your neighbors, and support local businesses when you can.

We encourage you to stay safe and take steps to reduce the spread of the coronavirus. Being engaged and staying healthy are two of the most important things we can do to help our communities. We'll get through this together.

Check out cfra.org/RuralDisasterResources for ongoing updates, disaster information; and resources for small business, agriculture, and wellness, health, and mental health.

LOAN RELIEF, CONTINUED FROM PAGE 1

many, and we're committed to doing what's right for small business owners.

We are suspending all fees for the next 90 days — For the next 90 days, we're waiving all fees (late payment, overdraft, reschedule) for existing loans.

We are making loan deferment available to affected borrowers — Borrowers with loans in good standing who are experiencing a decline in revenue are eligible to request reduced payments or loan deferment for up to 90 days.

We are making emergency credit

available — We're implementing an Express Loan based largely on credit history and pre-COVID-19 income that offers expedited funding of up to \$7,500 for new borrowers and up to \$10,000 for return borrowers with strong payment histories.

We are available for coaching and consultations — Our team is available to provide coaching and resources to small business owners, although we are working remotely as much as possible.

We will continue to lend — We will continue to offer affordable

small business financing of up to \$150,000 for small businesses in Nebraska through our traditional loan products.

Nebraska businesses can apply for Express Loans or traditional small business loans at cfra.org/loans. Current borrowers seeking reduced payment or loan deferral can contact their loan specialist or our main office at 402.687.2100.

Our borrowers are an important part of the communities we serve. We are committed to supporting local businesses. We're in this for the long haul.

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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Grand opening of Center office • At the beginning of March, the Center for Rural Affairs hosted an open house and ribbon cutting at its newest satellite office in Grand Island at College Park, 3180 W. Highway 34, Room 200. The office houses individuals from its small business program, the Rural Enterprise Assistance Project (REAP).

Right: Staff members Griselda Rendon, Latino loan specialist; Craig Eberle, loan specialist; Jessica Campos, Women's Business Center director; and Raul Arcos Hawkins, business development specialist. | Photos by Rhea Landholm



STEWARDSHIP, CONTINUED FROM PAGE 1

gram (CSP) from her local National Resources Conservation Service (NRCS) staff.

The nation's largest working lands conservation program, CSP provides farmers and ranchers with financial and technical assistance to enhance conservation on their operations. In 2018, 13 percent of Nebraska's agricultural land was enrolled in CSP.

To Sarah, the program seemed like a perfect fit.

"When I learned more about the CSP and I realized that it was providing landowners with an economic incentive to incorporate conservation measures, that was exactly the kind of model I was hoping for," she recalled.

Sarah has since completed a five-year contract, and is in the middle of her second one.

Because her ranch is located in the eastern Sandhills, Sarah's CSP contract was made to fit her opera-

tion's unique needs.

"By far, the majority of my area is intact native grassland," she said "We don't have a lot of row-crop agriculture. So, our CSP plan was going to look way different than someone's in, say, eastern Nebraska."

The rancher's first contract allowed her to implement practices to protect grassland wildlife and birds, such as the prairie grouse. She installed wildlife-friendly fencing, wildlife escape ramps in her tanks, and implemented new haying practices.

As part of her second contract, she developed prescribed grazing plans, monitored rangeland soil health, and sent in manure samples to track the nutritional status of her livestock.

"Taking the time to really look at the composition of our rangeland is valuable," she said.

In addition to conservation ben-

efits, the new practices have also provided economic benefits. The information the family gets from monitoring allows them to make better decisions for their operation.

NRCS is currently accepting applications for CSP. In Nebraska, the deadline to apply is May 29.

For farmers and ranchers thinking about applying, Sarah offers the following advice.

"Don't be afraid, or overwhelmed, because even though it's a big program, it's very simple and advantageous to your operation," she said. "There are a lot of different options, and you can tailor-make it to fit inside your operation."

Producers interested in CSP should call their local NRCS office as soon as possible. Because of the COVID-19 pandemic, all NRCS business will be conducted by phone or internet until further notice.



With education moving online and into homes throughout the country, rural cafeteria workers are still at school. They are preparing food to make sure students receive nutritious meals. This food is then distributed in various ways, depending on the school district. In West Point, Nebraska, for example, households can pick up meals at regular bus stops. | Photo by Kylie Kai

RURAL RESILIENCY: ENSURING OUR CHILDREN ARE FED

BY SANDRA RENNER, SANDRAR@CFRA.ORG

Rural communities are showcasing resiliency by ensuring kids are fed during widespread school closures caused by the coronavirus.

As the situation rapidly develops and changes due to COVID-19, we're learning what educating our children at home looks like. Many schools are planning to deliver classroom education online for the remainder of the year. One need that hit the radar in rural communities right away is whether or not students would still be able to get nutritious meals with cafeterias closed.

With so many uncertainties surrounding us, where the next meal is coming from should not be one of them. This should especially not be a concern for growing young bodies who happen to be our rural legacy.

In West Point, Nebraska, all students will be provided free breakfast and lunch while school is closed. Households pick up meals at regular bus stops in town and in nearby communities the school also serves.

The Center for Rural Affairs'

hometown of Lyons, Nebraska, is also addressing this issue as part of its pandemic plan. Parents can pick up lunches at the school cafeteria doors, allowing for safe interactions with individuals and staff. In Fremont, Nebraska, the schools weren't able to immediately implement their plan to distribute meals out of three elementary school sites. However, a local coffee shop regularly serving lunches came to the rescue with free sack breakfasts and lunches.

Other rural schools are running drive-through operations and working with local organizations and volunteers to make sure meals are delivered to students who most rely on this food—those receiving free and reduced meals. In addition, Chef Ann Foundation has put together guidance for schools looking for resources to respond during this time.

In 2018, school cafeterias served nearly 5 billion lunches nationwide—three-quarters were free or at a reduced price. A report found that children from food insecure households are more likely to eat school meals and receive more of their food and nutrient

intake from school meals than other children. The numbers for free and reduced meals tend to be higher in rural areas.

In 2017, a U.S. Department of Agriculture report on household food security showed that the rate of food insecurity in households with children is 15.9 percent in metro areas, in rural areas that number jumps to 20.4 percent.

Rural communities should prioritize rallying around this issue. This is especially important during times like these, when disparities in our communities and families come to light much more rapidly.

In rural communities during crisis, we see something inspiring, something defiant. Because we are a resilient bunch, we band together and take care of each other. Rural people forge on, through the unknowns, even when there is no end in sight.

In these weeks, and potentially months to come, we will see rural resiliency, strength, and unity that prove no matter the challenge, our rural communities can, and will, rise to the occasion.

PRODUCERS ADAPT TO RIPPLE EFFECT OF COVID-19

BY ERIN SCHOENBERG, ERINS@CFRA.ORG

Agriculturists are no strangers to challenging times. Be it floods or droughts, labor or labeling, farmers and ranchers face fresh battles daily, and they become masters of adapting as they ride out the rapids.

As the coronavirus continues to spread and disrupt many societal functions, life on area farms and ranches does not skip a beat. When you're in the business of caring for plants and livestock, especially this time of year, your daily routine must carry on despite volatile times. For many, it's calving season. For others, seeds will soon be on their way into the ground. These essential farm tasks, and a multitude of others, are what the rest of the year, and much of the world, depend on.

Comfort can also be found by staying busy and productive in a time of increased stress. Speaking with my mother, Deb Frank, who plays a key role in my family's cow-calf operation, she said that while some years she "dreads the unrelenting marathon" of calving season, this year she's "looking for good reasons to keep my mind off the virus and the ever-swirling cycle of bad news."

Farmers and ranchers have an enduring ability to hang on through thick and thin, and adapt to ever-changing circumstances.

Amidst the unsettling time of not knowing to what extent the full effects of COVID-19 will bring to supply chains, producers will work to dial in their systems, focus on making good decisions while strategizing for the long-term, and employ human creativity to full force.

Direct sales producers have seen increased interest from consumers concerned about a stable food supply. Products that have been taken for granted on year-



Rancher Deb Frank is finding comfort by staying busy and productive. "I understand the importance of being aware of the virus and its many ramifications, but I grow weary of obsessing about it," she said. | Photo submitted

round grocery store shelves are being given more consideration. Will this be a turning point for change in awareness and behavior? If so, change in consumer demand may dictate an equal change in production.

With food safety and shopper proximity on the mind, many people are seeking out regular shipments, pickups, or subscriptions direct from local farmers.

Shortening the food chain and strengthening the links can bring food security and peace of mind to consumers, and a welcome income for farmers whose livelihoods may be on the line.

Many others are expanding their own gardens, or starting seeds for the first time. We're seeing an increased interest in wanting to

learn how to grow their own food. Some parents are starting seeds at home with their kids for the first time. Many individuals and families are scaling up their backyard food production. Awareness of our food systems, care for producers of all types, and concern for food safety are taking a deserving spot higher on priority lists.

Now may be too early to predict exactly how supply and demand and the domestic and international markets will shift in the coming months, but what is known is that around the world, society depends on food, feed, and fuel. And, producers are not slowing down; they can't. They'll stay the course, and we must commit to supporting them.

WHAT HAPPENS TO MY FARM DATA?

BY MOLLY MALONE, MOLLYM@CFRA.ORG

Climbing into the combine, I am met with a dashboard of dusty screens and controls. The beeps and notifications remind me data is being recorded as I collect crops.

As the combine moves along, I keep an eye on the yields and variations in quadrants. Small farmers who work the land themselves see everything with their own eyes.

Technology and software have advanced, and farmers who once had to estimate their yields now have the tools to provide more precise totals, which can improve margins and help manage inputs.

But, farmers aren't the only ones who benefit.

To the companies providing the technology, the information is infinitely more valuable.

Returning home from the field, I open an app on my smartphone and review the data. However, the data has to first connect to the internet. When it does, the company who provided the software also has access.

I look over the user agreement. To move forward, I agree to release the data to the company, though they offer some assurances, claiming they will not use my data for things such as commodity trading, seed pricing, or packaging it for third parties, even in aggregate.

They seem to know my concerns already.

While the larger pool of information allows corporations to more accurately draw conclusions and use information to change their products and behavior, it also has the potential to create problems, two in particular.

The first stems from the fact the U.S. doesn't federally regulate privacy and data collection as much as other countries. In some places, leaders of corporations who are



Technology and software used on the farm have advanced, but what happens to your data once its uploaded? Each smartphone app and user agreement is different; however, companies sometimes collect your data for their own use. | Photo by Molly Malone

negligent with data may receive jail time. In our country, those same leaders could be fined, but most are only required to disclose a breach. Patchwork legislation primarily focused on tech companies varies by state, and larger corporations often enjoy extensive freedoms. Bigger is rewarded by the U.S. government.

The second problem that we often overlook includes some simple, low-tech ways our data can be compromised. Though hackers come to mind, one example is an age-old threat—paying off an insider to help access data.

As technology advances and software continues to improve, our legislators have the responsibility to protect the people, not the corporations. Individuals and even Congress can't be expected to know the ins and outs of every app contract. But, they can address the system as a whole, such as regulating how much data is automatically collected and making the

consequences outweigh the benefits of illegally sharing information or being careless.

While there are risks, there's also a potential social benefit to the collective data process—conservation. Soil health and watershed data can be measured and managed on a community scale in addition to your own farm. By gathering data collectively, the impact is multiplied.

This past year has been a tough one for the farm community. The weather has been wet and cold. Some crops were planted late, thus extending harvest, and, in some cases, crops never went in.

Uncertainty with Mother Nature has always been part of the industry and, for the most part, farmers have persevered. As technology becomes more prevalent, that same spirit will prevail. However, let's hope the new technology will help our operations, rather than add another obstacle.

MORE TRANSMISSION IS NEEDED TO LINK CONSUMERS

BY LU NELSEN, LUCASN@CFRA.ORG

The electric grid in the U.S. was created to provide reliable electricity to consumers. Typically, this meant that most U.S. consumers relied on the grid to carry power from centrally-located fossil fuel plants to provide for their electricity needs.

However, a combination of improved technology and decreasing costs have allowed for the shift away from aging fossil-fuel powered generation toward renewable energy, which poses a challenge for our electric infrastructure. The grid was not designed to connect to clean energy, such as wind and solar, located across a wide geographic area. While we develop more renewable generation, the necessary infrastructure must be built to link clean energy to consumers.

Wind energy has continued to expand in the U.S., with a substantial amount of new generation either proposed or in development. By the end of 2019, there were more than 105 gigawatts (GW) of wind energy capacity in operation nationally, and an additional 44 GW of wind capacity under construction or in the advanced stages of development.

Solar also experienced significant growth—in 2019, 2.6 GW of solar were installed in the U.S., increasing 45 percent from 2018. Additionally in 2019, 700 megawatts (MW) of residential solar were installed, setting a new record for the industry.

Decreasing prices have not only fueled the expansion of renewable energy, but highlighted their competitiveness with older generation sources, such as coal-powered plants. Wind and solar were com-

paratively lower in price than 211 GW of nearby existing coal-fired capacity in 2018—the equivalent of nearly 74 percent of the entire coal fleet in the country.

As counties and cities across the nation actively commit to clean energy goals, demand for renewable electricity will continue to grow alongside increasing reliance on electricity to power homes, businesses, and even transportation. To fully capture the benefits of the renewable energy transition, we must upgrade and expand our electric transmission system to keep pace with our shift to new sources of generation.

A robust grid will not only ensure that consumers have access to reliable electricity, but allow them to take advantage of a wide array of low-cost, renewable resources.

CORONAVIRUS UPHEAVAL, CONTINUED FROM PAGE 8

through a percentage fee on each loan. By structuring compensation in this way, Congress incentivized banks to close the largest PPP loans, and deincinativied attention to the smallest businesses.

Policymakers could have chosen a more simple pathway to get cash to small businesses to support their payroll. For instance, utilizing a refundable credit run through the payroll tax system would have reached all businesses who pay any payroll tax much faster and with less work on the part of the businesses. Relief could have been delivered with much less disruption to people and communities.

The difference is not about cost, but rather about priorities. In choosing to support small businesses through a brand new and

likely complex program, policymakers slowed relief and raised the bar to access it.

Those in power may actually prefer the disruption and upheaval. The shuttering of small businesses simply means a larger market share for large businesses that will escape the crisis without shuttering their doors. For instance, Amazon reportedly sees

coronavirus as a market opportunity to seize even more of the grocery market.

The current approach is not economically sustainable. The question is whether the approach will remain politically sustainable. That is where our power as everyday rural people rests, and that is where our engagement must be in the months and years ahead.

PAYCHECK PROTECTION PROGRAM

Despite our concerns, the Paycheck Protection Program is currently the most powerful and most generous relief available to small businesses. We encourage all small businesses to evaluate if the program can work for them.

Center staff are available to assist rural Nebraska businesses seeking to apply to the program.

We are also supporting congressional action to make the program more broadly available, including an effort to allow Community Development Financial Institutions to be PPP lenders.

For more information, visit: cfra.org/SmallBizEmergencyLoanResources.



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05/20



Inside: Loan relief and emergency credit

Center is committed to helping local businesses

FROM THE DESK OF THE EXECUTIVE DIRECTOR

CORONAVIRUS UPHEAVAL THREATENS SMALL BUSINESSES

BY BRIAN DEPEW, BRIAND@CFRA.ORG

The economic crisis brought on by COVID-19 threatens the long-term prosperity of small businesses in our communities. The initial government action falls short of what our communities need.

The CARES Act, signed into law on March 27, 2020, included \$500 billion for relief to big corporations and \$377 billion for relief to small businesses.

We are concerned that relief for small businesses will not reach the smallest employers who make up a disproportionate share of employment in rural America. \$350

billion is allocated to a new Small Business Administration (SBA) loan program called the Paycheck Protection Program (PPP). The program will run through traditional bank lenders. Loan proceeds spent on maintaining payroll, rent or mortgage payments, and utilities will be eligible for forgiveness.

At the time of this writing, SBA announced that the PPP had reached the maximum loan limit authorized by Congress, just 14 days after small businesses were first able to apply. Congress was debating a proposal to add additional money to the program.

The program is good, in theory.

In reality, accessing the program will be challenging for many. The smallest businesses with the least staff capacity and the least financial reserves will have the most difficult time.

Larger small businesses with more capital, existing bank relationships, prior experience with the SBA 7(a) guaranteed loan program, and more capacity to meet and document the requirements for loan forgiveness will have an easier time securing the relief.

Furthermore, banks are compensated for placing PPP loans

—SEE CORONAVIRUS UPHEAVAL ON PAGE 7