On Tuesday, November 3, farmer and Center for Rural Affairs board member Jim Knopik arrived in Washington, D.C. to tell Senator Ben Nelson (D-NE) of his support for health care reform in person. Knopik joined over 100 other small business owners and self-employed people, including seven from Nebraska and two from North Dakota, who traveled to Washington to make their support for health care reform known to their members of Congress.

"Without sufficient competition in the health insurance marketplace, we have no other options. For farmers, this is a familiar challenge. For decades we have been squeezed by corporate agribusiness. Health insurance monopolies are treating us no better," said Knopik.

The small business owners focused on elements of health care reform crucial to small business and the self-employed, such as affordability measures, insurance reforms, and a public health insurance option as well as a national health insurance exchange to increase consumer choices and competition in the health insurance industry.

The fly-in featured several events, including a press conference at the Capitol with various legislators and a meeting at the White House with Secretary of Health and Human Services Kathleen Sebelius. Small business owners from Nebraska and North Dakota also met with Rep. Jeff Fortenberry (NE), Rep. Earl Pomeroy (ND), Sen. Kent Conrad (ND), and staff from the office of Sen. Nelson.

—See Health Care Fly-in on page 5.

Research Highlights the Importance of Rural Health Reform Legislation

Researchers from the Harvard Medical School have found that about 45,000 deaths of working age adults per year in the United States are associated with a lack of health insurance. For the base year of the study, the number of deaths associated with being uninsured is higher than many causes of death including HIV/AIDS, breast cancer, prostate cancer, leukemia, Parkinson’s disease, hypertension heart disease, liver diseases, kidney disease, and homicide, and nearly the same as motor vehicle accidents.

The report found that given the link between death and lack of health insurance, better ways to provide insurance to more people and provide medical care for the uninsured must be found. Alternatives now employed such as community health centers and clinics – while valuable – still do not

—See Rural Health Reform on page 4.
Strategies to Work with Absentee Landlords on Main Street

Absentee ownership of Main Street buildings and homes can present challenges for rural communities: empty storefronts; badly maintained buildings; rents that are too high; poor energy efficiency and high utility costs; homes with overgrown lawns, etc. Often the cost of renting space for new business startups is unaffordable, creating another layer of problems for the community.

Fortunately there are several ways to address absentee ownership. These include:

Establish communication with absentee owners. The best-case scenario is to build a relationship with the owner. Help them realize their important role in the community as a property owner and how that is manifested by taking care of their property and offering affordable rents.

Determine the goals of the city and the landlord. Guidelines outlining the town’s goals help to articulate the parameters for property owners. Such guidelines could potentially keep buildings full and eliminate too-high rents.

Understand what the landlord wants out of their property. This will help determine the direction to pursue. If the owner wants their building occupied or sold, it would be beneficial to survey both landlords and business owners in town to determine average rents and sale prices for like properties. Sharing that information with the landlord can help them determine affordable rates that allow for occupancy or sale. When absentee landlords live in places with much higher prices and rents, they might expect to be able to charge unrealistic prices and rents for their property. This hurts everyone involved: the landlord/seller; potential buyers and renters; and the community as those buildings stand empty and deteriorate over time.

Establish a business incubator. If the landlord is interested in selling and a realistic price is set, the community might consider purchasing the property as a business incubator. An incubator that helps startup businesses get a solid foundation could result in more filled storefronts.

Develop a plan. If attempts to communicate with the owner are unsuccessful, the city council may want to develop a plan that would include incentives as well as penalties for landlords who don’t meet the established guidelines.

Having community support, setting and publicizing community goals, and attempting to develop a win-win situation between the community and absentee building owners will help you deal successfully with this situation.

Contact: Kathie Starkweather, kathies@cfra.org or 402.438.8496 for more information.
Corporate Farming Notes

Ohio Votes to Establish Animal Care Standards Board; Oklahoma’s Lawsuit against Tyson and Others Continues

On November 3, Ohio voters approved a constitutional amendment, known as Issue 2, with 63 percent voting in favor. Issue 2 creates a 13-member panel to define animal care standards for Ohio’s livestock sector. The board would include the Ohio Department of Agriculture director, two farmers appointed by the Speaker of the House and the President of the Senate, and 10 members appointed by the governor.

The vote demonstrates that Ohioans are concerned about proper animal husbandry and humane treatment of livestock. However, the amendment moves establishment of such standards into an appointed body that is largely unaccountable to the electorate. That’s where Ohio Farm Bureau and a coalition of commodity organizations want that authority, in a small, unelected governmental body that is more easily influenced than the Ohio General Assembly.

We agree with Ohio Farmers Union President Roger Wise; the amendment overreaches. Moreover, Issue 2 was closely watched by industrial livestock interests, with an eye towards duplication elsewhere.

Practicing real democracy may well be messier and more difficult than raising livestock as conscientiously as most Ohio farmers do. But it’s better than bartering our liberty or our responsibilities to each other for the convenience of a few industrial livestock operations.

Oklahoma’s lawsuit against Tyson and 10 poultry integrators continued to lurch through federal court throughout October. Oklahoma Attorney General Drew Edmondson brought suit against the poultry integrators for runoff of poultry waste spread on cropland – as much as 345,000 tons annually – that according to the state of Oklahoma “polluted the Illinois River with harmful bacteria that threatens the health of tens of thousands of people each year.”

In September, Edmondson revealed to the Associated Press his view of the state’s advantage in the case. “We’re right,” he said. “That’s always an advantage in litigation.”

The Oklahoma case has been mired in numerous delays, often from objections by the 30 attorneys involved. Other states concerned about poultry and livestock waste management practices are watching closely. “This case is more than a war of words. It is about the future of a 1 million-acre watershed,” concluded Edmondson.

Contact: John Crabtree, johnnc@cfra.org or 402.687.2103 x 1010 for more information on corporate farming.

Future of Energy & Climate Action Requires Your Action

Federal legislation to boost renewable energy production and address global climate change is slowly making its way through Congress. This, as well as future legislation to address energy and climate issues, is profoundly important to farmers, ranchers and rural people. Consider the following.

Federal incentives to boost renewable energy development will help shape a new energy economy. Depending on the nature of the incentives, the economic benefits of renewable energy may accrue to only those wealthy enough to invest in very large development projects. Or incentives can be designed to foster widespread ownership and community benefit of renewable energy development. Now is the time to advocate for policy that will create real opportunity for family farmers and ranchers and rural people of modest means.

Federal initiatives to address climate change are also critical to the future of our communities. The atmospheric level of CO2 has already reached a level above which climate scientists predict continued instability in weather patterns with negative consequence for farmers and ranchers who depend on predictable weather patterns. With effective action, the trend can still be reversed.

Initiatives to address climate change can offer direct benefits for both rural communities and farmers and ranchers. Programs to increase energy efficiency create jobs in rural communities while lowering the monthly utility bill of rural residents. Farmers and ranchers could also benefit from carefully crafted agriculture practices that reduce carbon usage or capture carbon in a measurable and verifiable way.

Enacting renewable energy and climate legislation that creates a sustainable future for rural communities will require the active engagement of rural people in the legislative and advocacy process. If you are passionate about these issues, please get in touch.

To get involved: contact Brian Depew at briand@cfra.org or 402.687.2100.
Beginning Farmer Rancher Development Program Awards

The U.S. Department of Agriculture (USDA) recently awarded 29 grants for the Beginning Farmer and Rancher Development Program. This new competitive grants program is designed to support collaborative networks and partnerships that provide beginning farmers and ranchers with education, training, and mentoring. First-round recipients include organizations doing inspiring work with beginning farmers and ranchers.

For example, California FarmLink helps beginners gain access to land through their Beginning Farmer Individual Development Accounts. In this program, beginning farmers and ranchers save a percentage of their income over a two-year period, and California FarmLink matches it three-to-one.

At the end of the two-year period, the beginner can accumulate nearly $20,000 for purchasing land, equipment, or other eligible farm-related expenses. We are pleased to see California FarmLink among the grant recipients because it will help them provide education, training, and mentoring to farmers and ranchers who participate in their innovative program.

It was surprising, however, to see how many grant awards went to universities – 17 out of 29 projects. This is especially disappointing since the statute calls for projects led by or including non-governmental and community-based organizations to have priority.

We hope most of these universities are partnering with organizations and technical colleges where projects lead to real, on-the-ground results. We look forward to analyzing the awarded projects to see how well they serve beginning farmers and ranchers.

Contact: Traci Bruckner, tracib@cfra.org or 402.687.2103 x 1016 with comments.

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provide the protection of health insurance.

These findings are especially important for rural people, who have higher rates of uninsurance and in many places lack even the alternatives the study found deficient. Health reform legislation that provides more individuals and families greater options for affordable, comprehensive health insurance will help address these issues.

The Harvard report theorized that the situation may be partially due to many of the chronically ill being less likely to have a usual and continual source of medical care, something health insurance is more likely to provide. In a second report, the same researchers took a deeper look at the connection between chronic health issues and insurance.

They found that half the working age adult uninsured who had diabetes or high cholesterol were unaware of their condition (only a quarter of the insured with the same conditions were unaware). Once diagnosed, hypertension and high cholesterol were more poorly controlled in the uninsured. By some measures, diabetes control was also poorer for the uninsured.

This research generated two important conclusions. One, the diagnosis and control of chronic diseases in the U.S. is substandard regardless of insurance status, but it is much worse for the uninsured. Second, these chronic conditions are common, easily treated, but lethal if not diagnosed and controlled by a prescribed treatment regime that may be unavailable to the uninsured.

Again, these findings are critical to rural people. Rural people have higher rates of these and other chronic diseases and obtain fewer preventive tests and procedures. When combined with lower rates of insurance, rural people are more likely to suffer the consequences of a lack of diagnosis, treatment, and control of chronic diseases.

Both studies highlight the bottom line of health reform that Congress has for the most part ignored. This country is beset by an epidemic of preventable and treatable chronic diseases, but prevention is too often disregarded, and diagnosis and treatment is out of reach for too many. Without change, too many people will continue to be sick and ultimately die needlessly.

For more information: contact Jon Bailey at jonb@cfra.org or 402.687.2103 x 1013.

Rural Health Care Providers

Access is the opposite side of the coverage coin represented by the two Harvard Medical School studies. But the importance of access cannot be ignored, particularly in rural communities. The greatest health insurance in the world is less valuable without access to medical services.

An Oklahoma State University report puts a different spin on rural access. It looks at the economic effect of primary care physicians and primary care services in rural communities, making the need for more rural health care providers an economic development cause. The findings are intriguing.

One full-time primary care physician generates, on average, about $1.5 million in revenue, nearly $1 million in payroll, and creates or helps create 23 jobs. The physician’s economic contributions are direct and indirect. People come to or stay in town for medical services and obtain other services or shop rather than travel to an urban area.

As health reform legislation takes its path through Congress we must be clear that both sides of the coin are equally valuable to rural people. In the words of our friends at the National Rural Health Association: Health Insurance does not equal Health Care Access.
Part III:
Federal Resources Available to Support, Expand, and Update Rural Grocery Stores in Today’s Marketplace

Last month we discussed the challenges rural grocery stores face and ways to meet those challenges so that food retail in small towns remains open and accessible. This month, we highlight some of the federal programs that can be used to support, expand, and update rural grocery stores to help them compete in today’s marketplace.

The programs we mention have an assortment of differing requirements. Grocery stores with a variety of models – sole proprietorship, cooperative, public/private partnership – should be able to find programs for which they might qualify.

Rural Business Enterprise Grants (RBEG) - This grant is available to nonprofit organizations, tribal, and public entities in towns with populations less than 50,000. The program supports and facilitates development of small and emerging private rural businesses. Grants can be used for a broad range of things, from land acquisition and building construction to equipment purchase or technical assistance. Preference is given in the application process to a business in communities with a population less than 25,000 or with a high percentage of unemployed or low-income residents.

A rural grocery store could use this grant to purchase a building, coolers, shelving, or to teach business skills to the people who will own or manage the store.

Community Food Projects (CFP) - This program empowers low-income communities to identify their own food insecurity and hunger problems as well as identify the solutions that will be most successful within their community, benefiting both farmers and consumers. Only private nonprofit organizations are eligible to receive CFP funds directly, but collaborations with public and private, for-profit entities are recommended.

A rural grocery co-op could, for example, receive a grant to work with local farmers and distributors to provide retail food outlets for low-income rural communities. Though popular, this grant is flexible, so be creative!

Rural Energy for America Program (REAP) and Small Business Innovation and Research - One of the major challenges that grocery stores face is the high cost of utilities to power various coolers and freezers needed for a full-service grocery store. The Rural Energy for America Program (REAP) and the USDA/NIFA Small Business Innovation and Research (SBIR) program can both help to overcome this challenge. REAP has grants for businesses to perform energy audits or to purchase and install more energy efficient or renewable energy systems. The SBIR program awards grants to support research related to important scientific problems, and it has prioritized energy efficiency and alternative and renewable energy in the 2009 grant cycle.

A rural grocery store could receive a grant to rethink their energy usage or design a project with other researchers to investigate ways to decrease energy consumption.

Business and Industry Guaranteed Loans - The purpose of this program is to improve, develop or finance businesses and to improve the economic and environmental climate in rural communities. To do this, the Business and Industry Guaranteed Loans provide a credit structure to facilitate loans. The program reserves 5 percent of the loans for the first half of the fiscal year for the processing, distribution, and marketing of locally or regionally produced foods.

A rural grocery store could use this loan guarantee for a variety of projects, such as working with local farmers to sell more locally-produced foods in retail outlets.

Many other federal and state programs could support rural grocery stores. We suggest speaking with your USDA Rural Development State Office to find other programs for which your existing or future rural grocery store could qualify.

Contact: Steph Larsen, StephL@cfra.org or 402.687.2103 x 1014 or Brian Depew, briand@cfra.org or 402.687.2103 x 1015 for more information.

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“For more than 50 years I have watched the population of my county decline. Where there were once 49 families within two miles of our farm, there are now only five. The remaining family farmers and Main Street businesses, the economic engine of our community, are struggling to survive. Access to affordable health care is one of the primary causes of their struggle. Without affordable health care, farmers, ranchers and small business owners cannot survive,” said Knopik.

Shortly after returning to Nebraska, the Center for Rural Affairs released a letter to Speaker of the House Nancy Pelosi endorsing the House health care reform legislation (Affordable Health Care for America Act, H.R. 3962) and encouraging representatives to vote for passage of that legislation.

Contact: Steph Larsen, StephL@cfra.org or 402.687.2103 x 1014 for more information on this event.
Neb. State Budget Cuts Require Consideration of Economic Future

The Nebraska Legislature went into special session in November to cut spending in response to declining revenues. The governor’s proposal included cuts to state agencies and also targeted three critical programs:

- **The Microenterprise Development Act** funds loans, training and technical assistance for businesses with up to five employees (proposed cut: $24,875).
- **The Building Entrepreneurial Communities Act** makes grants to small communities for business development, youth engagement and other initiatives (proposed cut: $11,250).
- **The Value Added Agriculture Program** makes grants to farmers and ranchers to develop new value added markets and products (proposed cut: $63,750).

We worked with other organizations across our state to develop and deliver a sign-on letter to each senator urging them to protect funding for these programs. The letter gained signatures from east to west, urban to rural, from agricultural to manufacturing to high technology communities. All rely on entrepreneurship as a critical economic driver. We also helped organize testimony for the appropriations hearings on these cuts.

The letter and testimony pointed out that funding was already cut by two-thirds for

the Microenterprise Development Act and one-fourth for the Building Entrepreneurial Communities Act in the regular session. While we all understand the need for fiscal restraint in these times, cutting these programs again, after they already suffered disproportionate cuts in the regular session, only undermines economic recovery and further jeopardizes the state budget.

Senator Haar (District 21) went to bat for these programs by introducing LB 16, which called for restoring their funding. He brought 17 other senators along with him.

In the end the Appropriations Committee’s bill, which was being debated as this was written, rejected the governor’s proposal to cut the Value Added Agriculture Program. It maintained the cuts to the other two programs.

So, while the Microenterprise Development and the Building Entrepreneurial Communities Acts should have been spared, it is significant that Appropriations Committee members chose to reject the governor’s call for cutting the value added program. This is especially true when the overall bill maintained roughly 99 percent of his recommendations.

We will work to restore these funds when the budget recovers.

Microenterprise Development Organizations Seek to Aid 87% of All Small Businesses

A microenterprise is defined as a business with five or fewer employees. In the U.S., microenterprises represent 87 percent of all small businesses. These are not one-size-fits-all kinds of businesses, and the organizations that exist to serve them are not either.

Our nation has a wide variety of microenterprise development organizations, but they all share a similar purpose: to help people start or expand their micro business. Most of these organizations are nonprofits, either housed within a larger organization – like the Center’s REAP program – or as stand-alone nonprofits. They provide such core services as business training, technical assistance and access to capital. Others may help with access to markets and technology training.

Microenterprise program models and services vary; many serve specific niches with specific services, while others are geared for a “full-service” approach. Some programs are training led, while others are lending led. This diverse and wide mix of microenterprise development organizations within a state contributes to a healthy entrepreneurial climate and establishes a dynamic statewide network of support for micro entrepreneurs.

Most microenterprise programs are known for their excellent collaboration, and have built referral-collaborative networks with others offering business development services in their state. Generally, an entrepreneur seeking microenterprise services can have immediate access to a host of services and expertise no matter which program they contact first. The end result is job creation through the development and expansion of microenterprise businesses.

The Center for Rural Affairs’ Rural Enterprise Assistance Project (REAP) is a full-service microenterprise development program and operates on a statewide rural basis in Nebraska. You can find out more about REAP and links to national and statewide microenterprise development programs at www.cfra.org/reap/links.

Contact: Jeff Reynolds, REAP Program Director at 402.656.3091 or jeffr@cfra.org for more information.
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by making them compete on equal terms. We could all still choose to keep the insurance we have.

Each of the plans promotes healthy behavior to reduce health care costs. And each would discourage providers from using ineffective, but profitable treatments. Under the current fee-for-service system, providers make more by using more expensive treatments — even those that don’t work.

All of the plans would expand research to identify which health treatments work best and guide health care providers toward effective treatments. Each includes a pilot project to reward providers for using cost effective, successful treatments. The pilot projects would pay a fixed rate for effectively treating a particular health problem. Providers would earn the most by curing patients — so they don’t need ongoing treatment — in the most cost effective manner.

The current insurance system is broken. And the economic imperative for reform is equaled by the moral imperative. From 18,000 to 45,000 Americans die each year because they lack insurance and don’t get adequate care in time. We must reform health care to make America a more prosperous nation and, in the words of Abraham Lincoln, a more perfect union. We have been talking about it for 100 years. It is time to act.

Agree or disagree? Contact Chuck Hassebrook, chuckh@cfra.org or call 402.687.2103 x 1018.
The upcoming vote on health care reform is of historic proportions. The issue has vexed American leaders since Teddy Roosevelt called for universal health insurance in 1912, followed by Presidents Truman, Nixon, Clinton and now Obama. Even the hard-nosed Truman, who stared down the murderous dictator Joseph Stalin, met his match in the opposition to health reform.

Today, no ordinary American can be confident of continued quality coverage in the face of 15 to 20 percent annual premium hikes. Something must be done.

The issue is most critical in rural America, where more of us are uninsured or underinsured because we depend on self employment and small business employment. With each premium increase, fewer rural Americans can risk giving up their employer-provided insurance to start a business or farm. And as rural entrepreneurship declines, so goes the rural economy.

We’re also at risk of losing access to care as providers reach retirement age and no one takes their place. The Senate bills would improve rural access to care by expanding college loan forgiveness for health professionals who practice in rural areas and enticing more rural students to study for health professions.

All of the major bills would make insurance more affordable by providing refundable tax credits to offset insurance premiums to families making up to $80,000, with the greatest assistance going to those with the greatest need. The bills establish an insurance exchange to increase competition among insurers and lower prices for individuals and small businesses. Some bills establish a Medicare-like public insurance option to keep private insurers honest.

—See Health Care Vote on page 7.