UNAPOLOGETICALLY RURAL

CENTER for RURAL AFFAIRS / ANNUAL REPORT 2014
FROM THE DESK OF THE EXECUTIVE DIRECTOR
A YEAR OF PROGRESS

It’s an exciting time to be in rural America.

We are witnessing renewed interest in sustainable farming. New opportunities in clean energy, healthcare, and small business offer opportunity in small towns. And our work is evolving to include a more diverse set of strategies to create welcoming and vibrant communities.

Reading through our annual report, I hope you’re as excited as I am. With your help, the Center for Rural Affairs is having a real impact on the lives of people who call rural America home.

Consider a few examples from the last year:

• In 2014, the outstanding small business loan balance of the Center reached $3.9 million. As a new Community Development Financial Institute we are building our capacity to meet growing capital needs in the small business sector, and exploring the needs in the farm sector and in neighboring states.

• We launched an innovative new rural arts initiative this year. Starting in four small towns close to home, we are working to drive socially engaged art projects forward. The work is a model for what can be done in small towns across the nation.

• After a long fight, a new farm bill was signed into law. The new 5-year law renewed $15 million for small business development, $7 billion for the conservation stewardship program, and $100 million for beginning farmer training thanks to your advocacy efforts. Important work lies ahead to reform farm commodity programs.

• We launched a new land legacy stewardship effort, an innovative program to allow donors who own farmland to secure their legacy, help the next generation of farmers get a foothold, and steward the work of the Center. Meanwhile, 160 beginning farmers participated in our training programs.

• As part of a national initiative, we led the Midwest team focused on putting food from local farms on the trays of school children. In Nebraska, we worked with nearly 50 small rural districts to bring local food programs to rural kids too. If we can do it here, you can do it anywhere.
Finally, more than 1,000 of you joined with us to speak up for action addressing climate change. As a critical rural voice in the climate debate, your voice helped move national and regional responses to climate down the field.

Your investment in the Center supports this diverse and bold approach. It supports work spanning from projects in individual communities to coordinated national campaigns.

In this annual report, you will read more about the rural America you are helping to build. Our work has never been more important, and it’s because of your support that the Center exists and works on issues vital to rural America.

There is no doubt, rural people and rural places will face new challenges in the coming year. The Center won’t shrink from these challenges. We will face them head-on in 2015, just as we have for 41 years.

That’s because, at the core of the Center for Rural Affairs, is the belief that by acting together in each of our communities, and banding together across the nation, we have the power to create a positive future for rural people and rural places.

This was a core belief at our founding, and it guides our work to this day. It is a belief we are proud to share with you.

Brian Depew
Executive Director
We help small businesses in Nebraska at every stage of development from dreaming to planning to expanding.

Maria Swenson and her husband Dan wanted to create a business to serve troubled youth and their families in Western Nebraska. She took a first step in 2012 by contacting Jerry Terwilliger, one of the Center’s small business specialists. Maria was looking for help putting together a business plan for a new venture, MLCS (Making Life’s Changes Sustainable) Family & Youth Services.

Maria needed the full gamut of our small business development services: business planning, financing, training, and technical assistance. She received two loans to finance equipment and startup expenses. We also helped her get set up with QuickBooks, and she was off and running.

MLCS Family & Youth Services was not an overnight success. Maria struggled for 15 months to make the necessary connections with courts, law enforcement agencies, and local and state human service offices. She worked through employee issues and delayed payments from the state of Nebraska.

Like many rural entrepreneurs, the dream of owning her business was stronger than the mounting obstacles. Maria took on the challenges one by one. A local bank helped fund her payroll. Employees gained experience and trust. She was finally able to move forward with her business plan.

Maria now has offices in 4 western Nebraska towns – Alliance, Chadron, Sidney, and Gering. She paid off her loans from the Center and the bank. This small business is Making Life’s Changes Sustainable. That’s a bonus for troubled families and youth and for the Swenson’s – rural and proud! 🎉

Supporting strong small business development means you are also supporting the building of an engaged, committed community.
Highlights of 2014

- We became officially certified as a Community Development Financial Institution. We’re excited because this means we can offer more services to more low-income individuals and communities.

- Our Hispanic Business Center staff reached 2,462 people with training, one-on-one counseling, and loans.

- We made over $1.4 million in business loans in 2014. Since we started in 1990, we’ve loaned $10.9 million.

- Our policy team won a renewal of $3 million annually for small business development through the farm bill’s Rural Microentrepreneur Assistance Program.
Randy Rink, left, showed his cover crops to Alan Feyerherm, Legislative Director for Congressman Jeff Fortenberry (NE - 1).

WITH YOUR SUPPORT, WE CONTINUE TO FIGHT FOR POLICY SUPPORTING FAMILY FARMS, RANCHES, AND SMALL TOWNS.

Farmers who use cover crops and crop rotations to build soil and protect water quality should be supported through public policy. Take Randy Rink, who farms in northeast Nebraska (left above). Randy hosted a farm tour for Alan Feyerherm, Chief of Staff for Nebraska Representative Jeff Fortenberry. He showed Alan how the Conservation Stewardship Program (CSP) helps protect water quality and enrich the soil on his farm.

The Conservation Stewardship Program is the largest federal conservation program, covering more working farm and ranchland than any other program. We worked with allies like former Iowa Senator Tom Harkin and coalition partners to create this landmark program. Nearly 70 million acres have been enrolled in the last 5 years.

Senator Harkin says the program’s intention was always to “compensate farmers and ranchers for how well they protect soil, water, and wildlife on their land through adopting and maintaining sound conservation practices.” The program focuses on the entire farm or ranch, supporting practices like Randy’s cover crops and extended crop rotations.

You helped win this program. But our work is not done. In December, Congress cut funding for the Conservation Stewardship Program. They did this knowing twice as many farmers and ranchers are eligible to participate as the funding they made available. We’ll need your help to protect conservation funding in 2015.
I am grateful to the Center for Rural Affairs for being such a strong partner in moving this important [conservation] policy forward with its unsurpassed commitment to the land and family farming.”

– Tom Harkin, former Senator for Iowa

HIGHLIGHTS OF 2014

- The new farm bill attached conservation compliance to crop insurance. A scaled-back sodsaver in 6 Midwest states will mean crop insurance premiums won’t underwrite plowing under native grassland.

- In Nebraska, we beat back a bill to eliminate the ban on packer ownership of livestock. Expect it to resurface in 2015 and be ready to act.

- We defeated bills to change Nebraska taxes and reduce resources for education and other public services.

- 10 major studies showed how policy should work for rural residents and towns. We tackled topics like tax policy, nutrition programs, healthcare, and food systems.
Walk into a small town cafe or gas station early in the morning. You’re likely to see a group of older male farmers shooting the breeze. Though the topic of their conversations may seem trivial, the existence of a meeting place allows for the exchange of information about business and farming practices.

Unfortunately, women landowners don’t have a similar tradition of regular discussions to share news and information. Recognizing this need, we teamed up with the Women, Food and Agriculture Network to create a learning and sharing venue.

This summer we hosted three Women Caring for the Land workshops, covering key land management and conservation topics. Some of the women attending had known each other for decades while others met for the first time. The women-only environment created a rich, comfortable setting for them to ask questions and discuss ideas.

Attendees built relationships with their peers as well as local conservation and farming professionals. As a result several landowners implemented conservation practices on their farms, including developing grass waterways and rotational grazing.

Alexandra McClanahan attended the workshop. She said, “I get a chance to meet like-minded women. The workshops offer information that encourages even better stewardship of the land. That’s what it’s all about. We all want to protect the land and our rural way of life.”

Audrey Dohma and Catherine Duggan head to a farm tour as part of a Women Caring for the Land workshop.

**WE REACHED WOMEN LANDOWNERS OWNING A COMBINED 14,000 ACRES OF LAND. THESE LANDOWNERS SEE THE ECONOMIC VALUE OF USING PRACTICES LIKE COVER CROPS ON THEIR LAND.**
Highlighted of 2014

Our policy team fought to support family farms and ranches and beginning farmers in the 2014 farm bill. Beginning farmer training programs were renewed for $20 million annually.

Over 40 military veterans attended workshops and tours in Missouri to learn about farm startup resources.

21 Latino farmers attended in-depth classes on financial planning and community resources. Graduates took the new information and applied for USDA loans.

Our beginning farmer webpages were visited over 20,000 times each month in 2014. That’s 4 times as many as in 2009.
Sometimes the most meaningful impact is found by chatting with neighbors. We’ve found several great ways to connect with communities. What’s worked for you?

A living room set with a couch, an area rug, and some lamps sat just outside the library on the brick mainstreet of Lyons. It was a project kickoff allowing members of area communities to join in an outdoor living room and discuss community identity, history of their town, and more. Guests were invited to sit, enjoy a warm drink, and share their perspectives. This “Main Street Coffee” session started our arts-focused project the Byway of Art.

Imagine yourself sitting in the main-street living room. You’re watching curious passerbys be drawn in for a conversation about the future of their community. Other coffee and community discussions took place in the neighboring communities of Decatur, Oakland, and Macy.

We learned each community has a different personality. Decatur, Nebraska, a river town, is rambunctious and dynamic. Our own hometown of Lyons is modest yet strong. Oakland, a slightly larger community to the south, is independent and achievement-oriented. Macy, located on the Omaha reservation, is earth-wise and socially structured.

Each community will produce a work of public art special to their unique characteristics. These communities will have something beautiful, something powerful, to show friends, neighbors, and visitors alike in the coming year. We expect this project to be a catalyst for other creative endeavors within and around the communities involved, as well as a source of inspiration for others around the nation.
HIGHLIGHTS OF 2014

Our trainings inspired 12 Nebraska Sandhill communities to create certified pollinator habitat gardens. These protect native bees and other pollinators.

In Fremont, Nebraska, our policy team organized a citizen coalition to fight a discriminatory housing ordinance.

In Columbus and Schuyler, tours of new and long-time businesses helped build social connections, creating an open and accepting atmosphere.

Community youth explained why their town was a good place to live through large canvas murals adorned with handprints and welcome messages.

Center staff member, Adele Phillips, pauses to view the results of community mural painting. The mural is being displayed in rotation at several locations in Columbus.
Food & Gardens

Community Gardens provide more than tasty nourishment.

If you drove past Carriage House Estates trailer court and Air Vista park – just east of the municipal airport in Columbus, Nebraska – a little over a year ago, you wouldn't have seen anything surprising.

Across from Carriage House Estates and adjacent to the park, where you can see kids play ball and ride their bikes, is a large green space. The space is owned by the city and contains a large red metal building. Several large old oaks grace the short grass. The whole area, under an acre, is enclosed with a tall chainlink fence.

In a few short months, the landscape changed dramatically. Santiago Vasquez, a Columbus community member and Public School employee, approached us with the idea to start a garden in the neighborhood. With food and community at the heart of our work, we dove right in.

If you drove past the same spot this year, you would slow down and linger. You couldn't miss the beautiful towering “BIENVENIDOS – WELCOME” sign nor the thoughtful kiosk, both construction projects of the local high school’s Industrial Arts classes.

Then you’d see the well-kept vegetable plots. You’d notice compost containers, a tool shed, perhaps a gardener watering their plot with their children alongside. Another gardener might place their harvest in a basket before walking home to cook dinner.

This community garden is one of several we helped develop this year. The gardeners attend workshops to learn growing and preserving techniques. Together they problem-solve, create guidelines, and build their shared space into something that gives them as much as they put into it.

Gardeners prepare the ground in Columbus, Nebraska, for the community garden. The lot went from unused space to community hub in a few months.

COMMUNITY GARDENS PROVIDE MORE THAN TASTY NOURISHMENT.
Sarah Smith, a 9th grader at Lincoln Public Schools, shares a presentation about how she introduced local food to her school with the help of a mentor at our Nebraska Farm to School Summit.

**HIGHLIGHTS OF 2014**

- **We were the Midwest Regional Lead for 7 states in the National Farm-to-School Network.** 10 rural pilot schools are now reviving farm-fresh school lunches, and 27 growers have received training.

- **Over 20 workshops on the Santee Sioux and Omaha Reservations trained local residents on growing, preparing, and selling fresh produce in the community.**

- **An expanded Farmers Market and Local Food Promotion Program won in the 2014 farm bill will pump $30 million annually into projects to rebuild local food systems across the country.**
“THE BIGGEST ISSUE ON CLIMATE RIGHT NOW IS THAT THERE IS NO AWARENESS. WE NEED TO LET PEOPLE KNOW.” - ARLYN SCHIPPER

Last March Arlyn Schipper, a conventional grain farmer in Grundy Center, Iowa, took part in an event we hosted in a nearby town church hall. Our conversation focused on the threat climate change poses to modern agriculture. Until last year Arlyn didn’t believe in climate change. Six months later he was asking a room of 75 rural citizens to take action.

What happened? Arlyn began to take seriously the message of stewardship. In the Center for Rural Affairs, he found a like-minded organization willing to help him put those thoughts into action.

In 2014 our team helped rural and small-town leaders just like you translate support for clean energy into actions that make a difference.

Your feedback helped us find common ground with clean energy transmission developers and helped farmers like Arlyn identify ways to protect their operation in the face of changing climate.

Whether you are one of 1,000 who stood up in favor of the Clean Power Plan or one of 100 who attended our coal-to-clean energy community discussions, you played a critical role.

Opportunities for action will continue into next year as your state makes an important decision about the way energy is used and produced in the future. We look forward to working alongside each of you to make sure the end result includes the clean, affordable options that help make our rural communities strong.
HIGHLIGHTS OF 2014

- Over 1,000 comments demanded action to address climate change from the federal government.

- Communities and landowners from 6 states worked with us to overcome critical siting and routing concerns in 8 clean energy transmission projects.

- Through 6 successful climate forums in 6 states, our network of Rural Climate Stewards grew. Nearly 400 voices asked elected officials to support climate action.

- In 3 Nebraska communities, over 100 public power officials, community leaders, and concerned residents came together to plan for a coal-to-clean energy transition.

- We hired a new staff member in Iowa to build the capacity of rural advocacy organizations in the Upper Midwest.
Supporters of the Center hail from all 50 states.

A strong grassroots base of supporters meant that in 2014 over 1,000 people gave $241,829.
BUDGET | $3.47 million

REVENUE
- 82% - Grants
- 9% - Your Gifts
- 9% - Other

EXPENSES
- 90% - Programming
- 10% - Management & Fundraising

*You’ll find our most recent audited financial statements at cfra.org/public_disclosure
Looking Ahead to 2015

We’re charting a course to expand our small business financing and explore financing needs in other sectors and nearby states.

We will continue to work in rural arts and culture and building welcoming and inclusive communities. It serves as a model to use in other states and communities.

Continuing our efforts to address climate change, we will advocate for state and regional policy to put more wind energy on the grid. A new climate organizer in Iowa will expand our reach.

We will make another major push to close the gap on Medicaid expansion. Some think we are crazy to try again, but we know it’s crazy not to try. More than 50,000 people in Nebraska and 4 million nationwide are counting on us.

We will launch a campaign to put federal crop insurance reform on the map with the public and policymakers. We know that unlimited crop insurance is driving up land values, undercutting conservation wins, and locking beginners out.

We’ll continue to dig into data for you to find out what good policy for rural Americans looks like. We’ll look at topics that impact your daily life.
A dear member of the Center for Rural Affairs staff, Hank Rohling, passed away unexpectedly on October 24, 2014. In his two years at the Center as Major Gifts Development Director, Hank crisscrossed the country visiting with Center donors in nearly every state.

Since his passing, many of you have written to share your memories of visiting with him. One of you wrote, “Hank visited our home, and we had such rich conversation. Hank was so real, and it was wonderful to have the Center reach into our home.”

Hank had developed the Center’s new land legacy program. It is an innovative program to steward farmland, steward the Center, and help the next generation of farmers get a foothold.

Interested donors will have the ability to donate farmland to our Granary Foundation. The program will help beginners gain access to farmland, promote the land and community ethic at the core of the Center, and return revenue to support the Center.

It is a win, win, win – for donors interested in securing their legacy, for beginning farmers, and for the long-term sustainability of the Center.

To honor Hank’s contribution to the cause of justice and opportunity in rural America, we have named the initiative the Hank Rohling Land Legacy Program.