

Enforce Packers & Stockyards Act to Protect Free Enterprise

The proposal by Secretary of Agriculture Tom Vilsack to establish rules to finally enforce the 1921 Packers and Stockyards Act is a critical step to strengthening the American free enterprise system in livestock production.

Vilsack would require a meatpacker that offers a premium to one seller for volume, quality, or any other factor to also offer the same premium to any other producer or group of producers that meets the same condition. It's a fair and reasonable approach.

But the reaction from the meatpackers and megalivestock interests has been anything but reasonable. They have charged the proposed rules would end premiums for quality, a claim that is false on its face. Purchases of livestock on a grade and yield basis or other measures of quality applied consistently to a packer's customers have the clear blessing of this proposal.

Perhaps the most troubling charge against the secretary's proposal is that it is contrary to the American way, which – the big interests claim – is for each of us to use whatever power we have to get our own sweetheart deal; to claim our own unfair advantage to protect us from the rough and tumble of competition on a level playing field. The charge makes me angry because it tries to reduce the American way to some-

Thanks to the 1,883 Center for Rural Affairs supporters who sent letters to USDA urging them to stand strong for family farmers and continue on their present path to make markets function more fairly. Keep up on progress at www.cfra.org/competition.

thing unworthy.

The big interests have confused the American way with crony capitalism – such as took hold in Russia after the fall of Soviet communism. Former government officials and others well connected used their power and influence to gain special deals and advantages, and discourage competition. Like the crony capitalists, corporate farming interests seek not the right to compete, but the right to use their economic power to insulate them from having to compete on a level playing field.

We wish the secretary would go further, that he would block packers from offering volume premiums that exceed the savings from buying from one large producer versus many smaller.

—See **P & S Act** on page 7.

States Working to Implement Health Care

If done well, state exchanges will increase competition among insurers and give consumers the best value for their dollar. It's important to have input from small businesses and consumers.

Whether you love, hate, or feel mixed or neutral about the Affordable Care Act that became law in March, states are moving forward to implement several of its most important provisions. Chief among them are the state-based health insurance “exchanges,” which are marketplaces where insurers can outline policies and consumers can easily compare between plans.

If done well, state exchanges will increase competition among insurers and give consumers the best value for their dollar. Federal assistance to make health

insurance affordable will only be available for plans bought in the exchange, so it's important they are set up well and have input from the small businesses and consumers who will use them.

State legislators across the country and across the political spectrum are proposing bills to set the framework for how the exchanges will be governed. These bills vary widely among states. Rural people have different challenges with health insurance, so here are a few things you can do to make sure the exchange in your state is responsive to the people it will serve.

—See **Health Care** on page 2.

Community Involvement Spurs New Ideas

“How do we get people involved in our town?” So many of our communities and organizations are suffering from “STP” (same ten people) syndrome. It not only wears them out, we also miss the new people and ideas that can make a real difference.

So how do you get people involved? The best way to get someone involved is to ask them – directly and personally. People get involved because they want to meet new people or get to know them better, to have fun, to work on an interest they have, and connect to some higher purpose. But the main reason they get involved is they are asked.

I talked about the success Muriel Krusemark had in Hoffman, Minnesota, a town of 672 (October 2010 newsletter). She is not shy about getting people involved. As her 16 new families moved into Hoffman over the last two years, she welcomed them with a gift basket and asked what they bring to the community and how they might use those skills to better Hoffman. Muriel made sure they got to use those skills.

Help someone recognize their importance. People are more likely to become involved if they realize how important their involvement is and they have something to offer. Ask them what

—See **Community** on page 3.

Development Matters

Raising Support & Ideas

As we work to develop the Center for Rural Affairs, we're encouraged by your financial support. We count on it to keep going. When we're out raising support, we're also raising ideas. Your thoughts and ideas define our work.

That's why the Newsletter Reader Survey in this issue is important. Please take a few minutes today and fill it out. Simply detach, fold along the dotted lines and return it by mail. If you prefer, the survey is also available online until Feb. 1, 2011, at www.surveymonkey.com/s/cfra2011- readership.

You'll be eligible to win a Center for Rural Affairs tote bag if your survey is among the first 100 returned. (Please provide your name if you're interested in the contest.) We'll use the survey results to assess how to best serve your needs.

So please, return the survey and help us not just with your pocket book, but also with your opinions and ideas. I can be reached at: Matt Connealy mattc@cfra.org 402.687.2103 x 1009.

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USDA Online Tool to Connect Retiring and Beginning Farmers

A new website will display advertisements to link retiring farmers with expiring Conservation Reserve Program contracts to beginning farmers or ranchers interested in bringing the land into production. A Transition Incentives Program - with \$25 million available - provides up to two additional rental payments to the retiring landowner.

Back in June we wrote an article about the Conservation Reserve Program Transition Incentives Program (CRP TIP). TIP provides up to two additional Conservation Reserve Program (CRP) annual rental payments to a retired or retiring landowner or operator with an expiring CRP contract.

To qualify, the landowner must sell or lease the CRP land to a beginning or socially disadvantaged farmer or rancher so the new operator can convert some or all of the land to production using sustainable grazing or crop production methods. The new farmer or rancher is required to operate under a conservation plan approved by the Natural Resources Conservation Service.

The program has taken off remarkably well with good participation levels, but how to effectively connect beginners with landowners who have land in CRP has been a lurking question. Most local folks have an idea who owns CRP land around their community. But that's not always the case, and it's increasingly challenging if you are looking for land outside your local area.

To aid in that process, US Department of Agriculture Secretary Tom Vilsack recently announced a new online tool called TIP Net. It will link retiring farmers with expiring CRP contracts to beginning farmers or ranchers who are interested in bringing the land into production.

The TIP Net website is provided by the Farm Service Agency. Through the Transition Incentives Program, producers with land for sale or lease are introduced to qualified beginning or socially disadvantaged farmers and ranchers who want to buy or rent land for their operations. You can access TIP Net through FSA's website, www.fsa.usda.gov.

The online tool works like this:

- All users who want to post an ad online must complete a one-time registration process. (If you only want to view ads from beginning farmers or from retiring farmers, you don't need to register).

- To register, create an account through an eAuthentication link. You provide a user name, password, name and email address. Just follow the instructions on the website. Be sure to save your username and password. You'll use it each time to access the website.

Congratulations, Traci!

Traci Bruckner, Assistant Policy Program Director at the Center for Rural Affairs, is the new chair of the USDA Advisory Committee on Beginning Farmers and Ranchers. She was elected at the December meeting. The committee has a passionate and powerful advocate for beginning farmers at the helm!

- You will receive an email from eAuthHelpDesk to activate your account. You just click on the link in the email that says ACTIVATE MY ACCOUNT.

- It will work best if ads are kept current and folks remember to remove ads they no longer need.

CRP TIP has \$25 million available to help transition CRP land to beginners and socially disadvantaged farmers or ranchers. As of November 30, 2010, there have been 372 contracts on more than 52,000 acres for nearly \$5 million in payments.

For more information, contact our Farm Bill Helpline by calling 402.687.2100 or email Traci Bruckner at tracib@cfra.org.

Health Care, continued from page 1

Encourage state legislators and state officials to hold public planning meetings. Democracy works best when we all speak up and participate. Encourage legislators to hold open, transparent planning meetings to get this started right.

Get to know your Insurance Commissioner and other state officials. Rural people have different experiences regarding insurance, and officials need to hear rural points of view.

Get involved in the governing council. Exchanges should have a governing council made of consumers and small businesses who will use it. Your experience with rural health care is important for officials to hear.

Efforts to establish health insurance exchanges are happening right now. Get involved and make sure exchanges work for rural people.

For more information, contact Steph Larsen at StephL@cfra.org or 402.687.2103 x 1014.

CENTER for RURAL AFFAIRS

This newsletter is available both electronically and in print. To receive it online, sign up at the Center's website, www.cfra.org, or email us at info@cfra.org.

You may also correct your mailing address and fax the back page to 402.687.2200, or call Kim Kaup at the Center for Rural Affairs, 402.687.2100.

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Corporate Farming Notes Final USDA Antitrust Session

The Justice Department and the US Department of Agriculture hosted the final joint workshop on antitrust and competition in agriculture and the food system in Washington, DC on December 8, 2010. The workshop focused on producer-to-retail price margins.

Secretary of Agriculture Tom Vilsack noted that in 2009, a hog producer received about 25 percent of the value of a hog sold at retail while in 1980 the farmer's share would have been twice that. Concern that retail grocery consolidation will continue to shrink the farm and ranch share of the consumer dollar predominated among workshop panelists and participants alike.

Attending three of the five workshops this year convinced me, begrudgingly, that Justice and USDA are sincerely searching to find new ways to address consolidation at the production, processing and retail levels of the food system. However, challenging vertical integration in livestock production and retail grocery consolidation (e.g. Walmart) is a long row to hoe.

I cannot imagine how much the packers would squeal if, for example, Justice and USDA proposed to limit or prohibit packer ownership of livestock - as we've long advocated. Nonetheless, I applaud Attorney General Holder and Secretary Vilsack for conducting these workshops and seeking justice for America's family farmers, ranchers and rural communities.

Contact John Crabtree, johnc@cfra.org or 402.687.2103 x 1010 for more information.

P&S Act, continued from page 8.

Nevertheless, the secretary's proposal is a big step in the right direction. If smaller producers can earn the same premiums as the mega farms by banding together to pool their production - most will. And maybe ultimately that will bring the whole system of sweetheart deals down.

When the sweetheart deals must be offered to everyone who earns them, they cease to be so sweet to the power players who work them and less bitter to those now excluded.

Sweetheart deals and unfair advantages are not the American way. The American free enterprise system is based on fair competition - a fair shot for ordinary folks who work hard and do a good job. That is the only kind of competition that serves the common good. The American way would be strengthened by the secretary's proposal.

Agree or disagree? Comment to Chuck Hassebrook at chuckh@cfra.org or 402.687.2103 x 1018.

Reader Comment: Immigration

We received several comments on my essay calling for a balanced approach on immigration and reporting the opposition of the Center for Rural Affairs board of directors to legislation requiring state and local authorities to enforce federal immigration law (November 2010 issue).

Instead, we called for tighter federal enforcement of immigration rules together with increased legal immigration and an opportunity for undocumented workers to become US citizens if they fulfill the requirements and abide by the law.

Several writers said immigrants take jobs from Americans and enable big employers to lower wages. I agree the recent flood of immigrants has depressed wages for low-skill jobs and worsened the gap between rich and poor in the US. That's why we advocate for a realistic level of legal immigration - one the economy can absorb without reducing wages at the bottom.

Together, our approach would increase *legal* immigration when the economy is healthy, but reduce total immigration and the pressure on wages. In recent years, 99 out of 100 unskilled immigrants entered the US illegally.

We called for more effective federal enforcement of the prohibitions on employers hiring undocumented immigrants and falsely classifying employees as independent contractors, in part by improved information sharing by the Social Security Administration to identify fraudulent use of Social Security numbers.

Other writers objected by saying the law is the law, and those who come here illegally should be deported.

I agree we are a nation of laws, and respect for the law is important. But some of our greatest moral leaders also considered other factors. Abraham Lincoln rejected punishment of Southern secessionists - lawbreakers - to enable America to bind itself back together.

The prophet Micah chastised those who flaunted their careful observance of religious laws, as they preyed on the poor and ignored what mattered more - "to do justice, love kindness and walk humbly with your God."

Let's put ourselves in the shoes of an undocumented immigrant. He might have no other avenue to a better life for his family. The waiting list for legal immigration is several decades.

Might we do the same if that was the only way to offer a future to our kids? Would Micah say justice and kindness demand some consideration other than deportation for impoverished immigrants? Would he say humility recognizes that we are ourselves descendants of immigrants, who, unlike most of today's immigrants, were given the opportunity to come legally.

- Chuck Hassebrook

Just detach this page, fold on the dotted lines, secure the bottom and mail back to us. We'll pay the postage!
Questions? Contact Marie Powell, mariep@cfra.org or 402.687.2103 x 1011.

Thank you for returning your survey!

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PO Box 136
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Across the Nation

Nationwide:

Last Decade Warmest on Record According to US Climate Data

The National Climatic Data Center of the US National Oceanic and Atmospheric Administration recently reported measurements demonstrating the decade ending in 2009 was the warmest since modern temperature measurement began in the 1880s. There is strong consensus among climate scientists that the earth is warming.

Georgia:

Farmers Tell Legislature to Slow Down on New Immigration Policy

The Georgia Farm Bureau, which calls itself the "Voice of Georgia's Farmers," is telling state lawmakers who want to create new 'Arizona Style' immigration laws to slow down. The group adopted a policy in December opposing any state law that discriminates against farm workers. They say reform must ensure a legal, stable supply of workers for agriculture, the state's largest economic sector.

South Dakota:

Rural Small Business Boom as Proprietors Outpace New Hires

Mike McCurry, an Extension sociologist at South Dakota State University, had heard a lot of small businesses were starting up in rural South Dakota. When he examined the data, he found the number of nonfarm business proprietors increasing faster than the number of jobs in many counties across the state. "I don't know if it's business entrepreneurship or survival," he said.

He first compared the number of non-farm, wage and salaried jobs and proprietorship data from 2000 and 2008, county by county, and then converted the numbers to ratios to help identify trends. The bottom line – the number of self-employed South Dakotans is increasing faster than those in hired positions. Statewide, nonfarm proprietors grew by 25 percent and total jobs increased 9 percent.

State Legislatures Face Challenging Work

Budget deficits require state legislators across the country to consider spending cuts and revenue increases. They should support programs that build the rural economy like microenterprise development.

Many state legislatures across the country face challenging budget deficits that require them to make spending cuts and consider revenue increases. As legislatures convene in January, **we urge them on behalf of ordinary rural Americans, to make smart budget choices** – choices that don't cut the very programs that build their states' rural economies.

Our home state of Nebraska has long been recognized as a national leader in development of microenterprise (non-farm small businesses with zero to five employees). Nebraska has been one of the few states to fund development of microenterprises through loans, business training and technical assistance.

The state's support of small business has been critical to building Nebraska's economy, especially our state's rural economy. Over the 12 years data has been collected, state funding has:

- **Directly financed 1,147 businesses in the state.**
- **Provided nearly \$11 million in business loans** (through June 2009).
- **Helped create nearly 2,000 jobs** (an average of 1.7 jobs per business that received a loan from state funds).
- **Allowed nearly 23,000 Nebraskans to obtain business plan training and business assistance** (through June 2009).

While microenterprise is always the backbone of the economy in rural areas, it is especially critical in a recession. **During our last recession, from 2000 to 2003, microenterprise employment grew by 9 percent across America as employment in larger firms fell.**

It is clear that support for microenterprise development builds the economy. And while we understand the tough job facing state legislators, it is critical for them to be mindful of protecting rural development programs that help pull communities, states and our nation out of recession. For more information, contact Traci Bruckner, tracib@cfra.org or 402.687.2103 x 1016.

Community, continued from page 1.

they want to do, and let them use their skills.

Seriously consider expanding your sphere of volunteers. Can you partner with your neighboring community on something? Building a cross-community action team can help address the real challenge of finding enough people to become involved.

Finally, let go. People often don't get involved because the "STP" won't let go of the way things have always been done. Getting people involved does not just mean you've found another person to restack the chairs after the meeting, it also means you are developing a new leader.

Listen to their ideas and support their efforts. Give them room to fail, assistance when they do, and demonstrate enough confidence in them that they can try again. Soon, you'll have so many volunteers you'll be hard-pressed to use the "STP" gang at all!

Contact Kathie Starkweather, kathies@cfra.org or 402.438.8496 for more information.

Electrical Contractor Moves from Apprentice to Business Ownership

Tyler and Lorana Eggert and their two children (ages 1 and 2) recently returned to North Central Nebraska after living in Lincoln for several years. Tyler grew up and attended school in Valentine. Lorana grew up and attended school in Ainsworth, so both are well aware of what the area has to offer. The couple dated while in high school, and upon graduation went their own ways. After awhile they started dating again, which led to marriage and starting a family.

Beginning as an apprentice, Tyler started working for an electrical contractor in Lincoln over seven years ago. Applying himself and always thinking about starting his own electrical contracting business back home, Tyler advanced to the journeyman level and recently obtained his electrical contractors license.

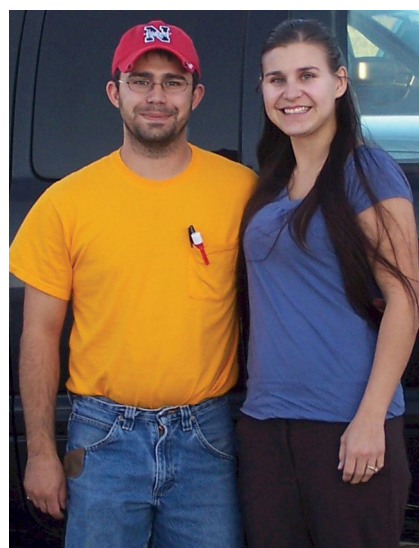
During their time in Lincoln, Lorana was employed in the banking industry. She was able to get employment with a bank in Mission, South Dakota, which greatly enhanced the possibility to relocate to Valentine. Lorana's position provides a steady income and health insurance for the family during the business start-up phase.

As with most start-up businesses, finding the necessary capital is crucial to getting the business up and running. Tyler and Lorana were referred to the Valentine Economic Development Office and to the Center's

REAP program for assistance in preparing a business plan, financial projections, and loans to assist in starting the business.

R & R Electric, their new electrical contracting business based in Valentine, is now performing electrical work in North Central Nebraska, and Lorana is enjoying her position in Mission. Their family and friends are glad to see them back in the area, and Tyler and Lorana are looking forward to raising their children in rural Nebraska.

R & R Electric, HC 15 Box 94, Valentine, NE



Tyler and Lorana Eggert's business benefited from the resources and know-how of the Center for Rural Affairs' REAP program, working statewide in rural Nebraska. For more information about REAP services, visit www.cfra.org/reatp or call 402.687.2100. Find a list of similar programs across the country at www.cfra.org/renewrural/federal-micro-program.

Nebraska MarketPlace Conference Coming February 22 & 23, 2011

The 5th annual conference is bigger and better than ever with afternoon and evening activities on Tuesday and a new set of professional development tracks and sessions taking place throughout the day on Wednesday.

Calling all folks in proximity to Kearney, Nebraska, to take a self-directed quiz. Are you:

- An existing small business owner who wants to network and discover new ideas?
- Someone who is thinking about starting your own business?
- An economic developer who wants some fresh approaches to enhance your community and foster new business development?
- A student in high school or college, wondering about opportunities to start your own business?
- A farmer or rancher looking for new ways to grow your business?

If so, then you need to register to attend the 5th Annual MarketPlace: Opening Doors to Success Conference coming to the Ramada

Inn Convention Center in Kearney on February 22 and 23, 2011. Early birds can register and save at www.cfra.org/marketplace/home.

This year's preconference on Tuesday, Feb. 22 is loaded with breakout sessions covering areas of business development, agriculture, marketing, innovation, community development, financial, youth and policy. Once the afternoon sessions are completed, don't plan on going home just yet!

Alan Ovson, from San Francisco, California, will follow as keynote speaker. He'll talk about why change is so difficult and how, with understanding, strategies and support, we can learn to understand our habits, align ourselves with change, and make it easier to "let go of what is holding us back."

Alan will involve the audience in a style that is both entertaining and memorable. Tuesday's activities wrap up with a reception featuring Nebraska foods and amazing networking opportunities.

We are just getting started! February 23 is jam-packed with more breakout sessions, networking, Nebraska Products Store, door prizes and more. Help us celebrate five years of bringing small businesses the resources to enhance and grow their business.

Be sure to check us out and register at www.cfra.org/marketplace/home. Remember, we're also on Facebook and LinkedIn – search for Nebraska MarketPlace.

For more information, contact Joy Marshall, joym@cfra.org or 402.614.5558.

Simply detach this page, fold along dotted lines, and return by mail or go online to www.surveymonkey.com/s/cfra2011readership.



Center for Rural Affairs Reader Survey



Complete this survey and be eligible for one of five Center tote bags!

1. How thoroughly do you read or look through the CFRA Newsletter?
 All/almost all 3/4 1/2
 1/4 Skim only Not at all
2. If you don't read it, why not?
 No time Intend to read later Wrong topics
 Not interested Other _____
3. The newsletter is sent monthly. How often would you like to get it?
 Monthly (12/yr) Bi-monthly (6/yr)
 Quarterly (4/yr) Other _____
4. In the last year, what actions have you taken as a result of reading the newsletter?
 Discussed item with others Passed item along
 Used or modified an idea Visited a web site
 Acted on an alert Signed an online petition
 None Other _____
5. Which topics would you like to see covered in the newsletter?
 Corporate farming Farm bill programs
 Community development Micro/small business
 Renewable energy Climate change
 Health care Other _____
6. Do you interact with the Center for Rural Affairs online?
 No Facebook Twitter E-newsletter
 Website Blog for Rural America
7. In general, where do you get your news?
 Coffee shop Newspaper Television Radio
 Magazine Internet Other _____
8. How long have you been receiving the newsletter?
 <1 year 1-2 years 2-4 years
 5-10 years >10 years Not sure
9. How did you first hear about the Center for Rural Affairs newsletter? _____
10. What is your age?
 Under 18 18-24 25-34 35-54
 55-64 65-75 75+
11. What is your gender? Female Male
12. Which best describes where you live?
 Farm or ranch Small town
 Suburban area Urban area
13. If you live on a farm or ranch, are you a:
 Beginning farmer Established farmer
 Retired farmer Other _____
14. Would you describe your political affiliation as:
 Republican Democrat
 Independent Prefer not to answer
 Other _____
15. Are you active in your community as a:
 Leader Volunteer Public official
 Not active Other _____
16. Do you have any other thoughts you'd like to share with us? _____