

# **Renewing Family Farms & Rural Minnesota**

## **State Policies that Make a Commitment to Minnesota's Family Farms, Rural Communities & Environmental Stewardship**

**Feb. 6, 2007**

This year the Land Stewardship Project celebrates 25 years of “Keeping the Land and People Together.” For LSP this has meant working to make family farming profitable, to limit corporate control of our farms and rural communities, and to promote stewardship of our natural resources, especially our farmland. Over the last quarter-century there have been some hard times for family farmers. During this time LSP’s message has been that family farms are not a relic of the past but instead the key to the health of rural Minnesota and producing secure and healthy food. Below are some of the key issues facing family farmers and rural communities today and how our state can address them through legislation. These policy proposals can be an important part of renewing our state’s commitment to family farmers and rural communities.

### **1. Supporting the Next Generation of Farmers**

You often hear that the average age of farmers continues to rise and is now at 55. What you might not hear as often is that the number of farmers in Minnesota increased from 78,755 in 1997 to 80,839 in 2002. Land Stewardship Project’s experience is that there are people wanting to farm. Our Farm Beginnings® program helps new farmers get started on the land and is full to capacity every year. Many new farmers want to start modestly and build equity as they go rather than begin on a large scale with overwhelming amounts of debt. Our state can do a better job of providing resources for these beginning farmers.

The Legislature should support the next generation of farmers by:

- **Helping beginning farmers with access to land.** The Legislature should create a program that gives state tax credits to landowners who rent land to beginning farmers. The credit should amount to 15% of the gross rental income. The beginning farmer should be eligible for a state tax credit of \$500 towards the cost of participating in a farm business management program or approved equivalent. The credit would be available for up to three years.
- **Creating a promotional and informational campaign to encourage beginning farmers.** Minnesota needs to reaffirm to those wanting to start farming that we believe in small- and moderate-sized family farms. The Legislature should allocate funds to create a promotional campaign with the theme that “You can farm.” The campaign should spread the message that the number of farms in Minnesota is growing and that Minnesota is a family farm state. The state would compile and mail out informational packets detailing all of the resources available to help beginning farmers. These packets should feature real-life examples of successful beginning farmers.

### **2. Stewardship of the Land**

Stewardship of our farmland is critical to providing future generations a viable opportunity to farm. Urban sprawl, water pollution, soil depletion and erosion threaten the amount of productive farmland available for future farmers. Research has definitively shown that farming can be done in ways that enhance water quality and wildlife habitat and that prevent erosion and build the soil. The state needs to create and increase investments in programs that encourage good stewardship.

The Legislature should support and promote stewardship of the land by:

- **Improving water quality and conservation through a working lands program that promotes landscape diversification and perennial cropping systems.** As part of the Clean Water Legacy, the state should create a program to achieve clean water goals in agricultural areas by offering incentives for targeted watersheds to utilize perennial cropping systems (pasture-based livestock production or perennial crops for energy, for example). Perennial cropping systems dramatically reduce runoff and create wildlife habitat while keeping working lands working. Water quality testing should be done to evaluate and enhance the program's effectiveness. Other incentives can be targeted to these watersheds to maximize effectiveness.

- **Fully funding the Energy and Sustainable Agriculture Program (ESAP).** ESAP was established in 1987 as part of the Department of Agriculture to demonstrate and promote alternative practices which are energy efficient, environmentally sound and profitable, as well as which enhance the self-sufficiency of Minnesota farmers. Among other things, ESAP is responsible for making grants to farmers for on-farm research into innovative sustainable ag practices. The results are then published annually in the *Greenbook*. This hands-on, grassroots type of research has facilitated farmer-to-farmer education and helped farmers move towards more sustainable farming practices. Funding for ESAP should increase from the current \$70,000 a year to \$250,000 a year.

- **Strengthening the University of Minnesota's alternative livestock program.** This program has provided necessary research and outreach for the growing number of farmers, especially beginning farmers, who want to produce livestock using pasture, deep-bedded straw systems and other alternative methods. More research dollars are needed for livestock genetics and forages that work for grass-based systems and to study animal behavior in sustainable systems. The Minnesota Institute for Sustainable Agriculture should be appropriated \$150,000 annually for this work.

- **Expand the University of Minnesota work in organic agricultural research and outreach programs.** Minnesota is a leader in organic production (fourth in cropland acreage and fifth in the number of organic farms). There is intense interest in organic crop and livestock production in the state, which will benefit Minnesota's small- and medium-sized farming operations. Research to develop practices that increase the stability of organic production, control production risks and reduce costs is needed to further develop an organic production sector that can contribute to farm and community stability. The University of Minnesota should be appropriated \$1.1 million dollars for this work.

### **3. Local Democracy and Corporate Accountability**

Minnesota has a heritage of strong local democracy. With over 1,700 townships and 87 counties, Minnesota's local governments allow for meaningful citizen participation in the decisions that impact our lives. Maintaining and respecting this tradition is critical to keeping our rural communities vibrant.

Many corporations play a positive role in rural Minnesota. However, problems arise when too much market power is concentrated in the hands of a few corporations or when corporations pursue strategies of exploiting local resources without being accountable to local citizens. State regulations must encourage responsible corporate behavior, protect local communities from exploitation, and guard against corporate manipulation of markets. Special attention should be taken to limit corporate control over our food and agriculture systems and to promote independent family farmers.

The Legislature should promote local democracy and corporate accountability by:

- **Maintaining strong community and township rights.** Any legislation that undermines local democracy should be opposed.

- **Enacting a “livestock contractor fairness and corporate responsibility act”:** Many farmers raise livestock on contract for corporations that both own the livestock and have substantial management control over the farm. However, the contracts can completely shield the corporation from any liability, placing all the risk on the farmer. This is obviously unfair and can be addressed by requiring that when a corporation owns the livestock and has management control over the farming operation it must be included in the feedlot permit. This will prevent the farmer from being solely liable, especially when the harm may be caused by management decisions made by the corporation and imposed on the farmer.

- **Restoring the right of citizens to petition for environmental review of industrial-scale feedlots.** In 2003, most feedlots under 1,000 animal units were exempted by the Legislature from environmental review altogether, effectively exempting 97% of feedlots from environmental review. This means that citizens cannot petition for environmental review even when the potential for harm is apparent. The result is that the majority of the largest feedlots in Minnesota are built without an up-front analysis of potential environmental harm. Previously, the Minnesota Pollution Control Agency or local units of government could initiate environmental review of feedlots between 300 and 1,000 animal units. Citizens utilizing a petition process could trigger consideration of environmental review. These powers need to be restored.

#### **4. Community Based Local Food Systems**

The local foods movement continues to grow with more farmers finding profit in producing food for local markets. Farmers are selling directly to consumers and to local institutions such as schools and nursing homes. They are also moving product through local retail outlets such as grocery stores and food co-ops. This increases profits to farmers and benefits the local economy.

As a society we have collectively invested in lock and dam and railroad systems that make marketing of agricultural products to distant places possible and affordable. We need to invest resources in re-creating an infrastructure that makes local marketing possible. The state can strengthen programs that support this movement and fund critical research to help local food initiatives move forward and fully develop.

The Legislature can support community based local food systems by:

- **Funding research to assess bottlenecks and opportunities for community based food systems.**

As the demand for local food grows, farmers and distributors are struggling with creating the systems to make it work. Large Minnesota institutions such as the Mayo Clinic and the University of Minnesota, as well as elementary and high schools, are interested in purchasing locally grown foods. The economic, environmental and health benefits are tremendous. The state should appropriate \$500,000 to the Minnesota Institute for Sustainable Agriculture (MISA) to do a comprehensive study on the barriers to establishing community based food systems and the future opportunities offered by growing local foods markets.

- **Providing resources for Minnesota’s farmers’ markets.** Minnesota’s farmers’ markets are growing and expanding and becoming an integral part of urban and rural communities. The state needs to support existing markets and help new ones get established. The state should appropriate \$500,000 for competitive grants to help with, among other things, support staff, signage and physical improvements to markets.

- **Increasing the capacity of our state’s meat processing inspection program.** The growing demand for locally-raised meats is beyond the capacity of the current infrastructure to keep up with. State meat inspectors have to be on hand while processing takes place in state certified processing plants. When an inspector is not available processing must be postponed, causing inefficiencies for processors and

farmers. As a start, the state needs to increase inspectors in its state meat inspection program from 14 to 15. In addition, the state should invest in basic market research assessing capacity and demand potential in various regions of the state to determine where future investment must be made in the meat inspection program and the meat processing industry.

## 5. Community Based Renewable Energy

Minnesota can be a leader in developing and promoting renewable energy. Our policies should ensure that renewable energy is community based and is developed in ways that benefit family farmers and rural communities. Opportunities exist now to lead the nation in research and to create an infrastructure that allows for and encourages community-based renewable energy. However, if we do not act soon and with a clear vision, these opportunities may pass us by.

The Legislature can promote community based renewable energy by:

- **Adopting a Renewable Energy Standard of 25% renewable energy by 2020.** Minnesota must make a commitment to moving forward with renewable energy. Enacting this standard is a critical part of doing that and it will create important markets for wind and biomass energy that have the potential for environmental and economic benefits for rural Minnesota.
- **Research into on-farm energy conservation.** Sustainable agriculture provides many environmental benefits, and an overlooked one has been energy conservation. Research should be done on the energy consumption and output of sustainable systems versus conventional systems (a grass-based dairy versus a conventional dairy, for example). An appropriation of \$150,000 should be made to the Minnesota Institute for Sustainable Agriculture (MISA) to do this work.
- **Promotion and incentives for cellulosic ethanol that is community-based and produced from perennial crops.** The next generations of ethanol plants are going to be cellulose-based. This provides real opportunity for more perennial cropping systems that benefit the environment while producing income from the marketplace. Recent research at the University of Minnesota by David Tilman and his colleagues shows strong benefits both in terms of energy output and conservation when prairie grass is used as a feedstock for ethanol. Minnesota needs to position itself to be on the forefront of this development and we need to do it in a way that encourages diversified perennial systems and community ownership of the next generation of ethanol plants.