



CENTER *for* RURAL AFFAIRS

YOUR RURAL NEWS FOR OVER 40 YEARS | LYONS, NE | POPULATION 851 | NOVEMBER & DECEMBER 2016

FROM THE DESK OF THE EXECUTIVE DIRECTOR

THE RADICAL CENTER

BY BRIAN DEPEW, BRIAND@CFRA.ORG

Has the political center become the most radical place to work? In this time of piqued partisan rhetoric, it may be.

Working at the radical center does not mean that each of us should become a centrist. Nor does it mean that every answer will be found in the political center.

Rather I mean to draw attention to something that has become a radical act: coming together to acknowledge and honestly assess challenges we face

and working cooperatively on solutions.

Writing about the concept of the radical center for the Quivira Coalition, William deBuys suggests four characteristics of the work:

(1) Work in the radical center involves a departure from business as usual.

(2) Work in the radical center is not bigoted. You don't question where somebody is from or what kind

—SEE THE RADICAL CENTER ON PAGE 2.

BECAUSE OF PEOPLE LIKE AIDA, THE AMERICAN DREAM IS STILL ALIVE

BY JORDAN FEYERHERM, JORDANF@CFRA.ORG

There are people like Aida Olivas in every community. Aida is one who goes above and beyond their civic duty to make their home a better place for everyone. They are vital to our work and to rural America.

Everyone who knows Aida will tell you she is someone who gets things done and doesn't wait around. No matter how hot the summer or cold the winter, you can find Aida trekking along back highways and visiting small towns near Hastings, Neb. She makes

sure the migrant and recently arrived immigrant communities have everything they need and know where to go if they need help getting settled in. She never stops working, and loves every second of it.

—READ MORE ABOUT AIDA ON PAGE 7.

Right: Aida Olivas immigrated to the U.S. from Mexico 20 years ago, finding help and comfort at the local Head Start. Today, she tirelessly works and volunteers to make sure everyone has a chance to be a part of the community. | Photo submitted



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NOTE FROM THE EDITOR

BY RHEA LANDHOLM, RHEAL@CFRA.ORG

Since its inception, the Center for Rural Affairs has chosen to advance a set of values that reflect the best of rural America.

This month's newsletter focuses on "CONSCIENCE that balances self-interest with an obligation to the common good and future generations."

Throughout this edition, you

will see this value in action: in Aida Olivas who selflessly gives to provide a future for fellow new Americans; in our stand against mega-mergers in the agricultural input market; in our efforts to improve the health care system and achieve balanced tax reform; and in the almost \$2 million we've loaned to small businesses in the last year.

We see this value in our ongoing efforts on crop insurance reform that focuses on the viability of family farms, health of rural communities, production of healthy food and stewardship of clean water. And finally, this value is found in our executive director's essay as he tells us about the Center's work.

THE RADICAL CENTER, CONTINUED FROM PAGE 1

of hat he or she wears, you just question where that person is willing to go and whether that person is willing to work constructively on the question at hand.

(3) Work in the radical center involves interesting tools. There is not one way of doing things. There can be many ways of doing things. We need to have large tool boxes and to lend and borrow tools freely.

(4) Work in the radical center is experimental. It keeps developing new alternatives every step along the way. Nothing is ever so good that it can't stand a little revision, and nothing is ever so impossible and broken down that a try at fixing it is out of the question.

Here deBuys is discussing the work of land conservation in the American West, but the concept applies to any contemporary challenge we face.

From the local to the national level, challenges we face have been solved when people of diverse interests took a pragmatic and cooperative approach.

"WE BELIEVE IN THE
POWER OF PEOPLE
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AND STEWARDSHIP."

-BRIAN DEPEW

Medicare, the Endangered Species Act and the State's Children Health Insurance Program were all major bipartisan initiatives in D.C.

The Endangered Species Act passed with overwhelming support from both sides of the aisle. Imagine sweeping reform of environmental regulation attracting such support today.

And deBuys correctly adds,

"When we are smart enough to separate our interests from our political positions, then we can really do some good work."

At the Center for Rural Affairs, we believe in the power of people of diverse political constituencies working together to advance our values of community, opportunity and stewardship.

We walk the walk too. Most of our major initiatives have been anchored by bipartisan support in the countryside and in Washington. And at last survey, 39 percent of Center supporters self-identified as Democrats, 23 percent as Republicans, and 20 percent as unaffiliated.

Rural people have a long history of coming together to solve collective challenges. Barns were raised with the help of neighbors. Electric poles were sunk in the ground and wires strung thanks to local co-ops.

If states are the laboratory of democracy, perhaps small towns can be the laboratory of a new cooperation.

PAPER & E-NEWS

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The Nebraska Legislature recently attempted property tax reform, however, it only added to the current budget shortfall. Property tax relief should be targeted to those who need it most, like homeowners and family farmers, based on income. | Photo by Wyatt Fraas

KANSAS, A CAUTIONARY TALE FOR OTHERS

BY BRIAN HANSON, BRIANH@CFRA.ORG

State governments across the nation are looking to cut income tax rates. We are paying close attention to legislators in Nebraska who are publicly discussing their plans for cutting income tax rates. Some say efforts should be coupled with property tax reform. Pairing the two would break the state's budget at a time when we are projected to face a greater than \$350 million shortfall in the next budget cycle. Nebraskans only have to look to our neighbors to the south to see the folly of such imbalanced plans.

The experience of Kansas should provide Nebraska's leaders and citizens plenty of reasons to avoid going down the same reckless path, and to pursue a more balanced approach to tax reform. Much like their counterparts, those in Nebraska pushing for income tax cuts promise that doing so brings economic and job growth, but Kansas' results make those promises ring hollow.

The Kansas Legislature cut income taxes on most businesses and for wealthier individuals in 2012, with the promise that it would put the state's economy in "overdrive." However, the results more closely resemble an old truck stuck in neutral slowly rolling backwards into the pond. Since the cuts took effect, the Sunflower State has suffered budget shortfalls, credit downgrades, depletion of the state's rainy day fund, school funding crises, and increases in both property and sales taxes.

Kansas also lags in job growth. According to the U.S. Bureau of Labor Statistics, Kansas had negative job growth from May 2015 to May 2016 (-0.35). Nebraska and other nearby states have maintained

steady (albeit slow) job growth.

The tax cuts have not benefited all Kansans either. Former Kansas Budget Director Duane Goossen finds the combination of increased state fees, as well as property and sales taxes (increased to fill budget gaps created by the income tax cuts) have resulted in a net tax increase for people making less than \$42,000 annually. The primary beneficiaries of the tax breaks are those making greater than \$500,000 averaging a \$25,000 tax break.

Cuts in income taxes in Nebraska would likely lead to higher property taxes for landowners and more budget problems for Nebraska's public schools. When the Kansas state government cut its aid to schools and local governments due to shrinking income tax revenues, those entities became more reliant on property taxes and fees to continue to perform necessary services. A majority of Kansas counties have seen property tax increases since the 2012 income tax cuts, with 17 of the 20 highest increases occurring in rural counties.

Schools in Nebraska are already the 3rd most dependent on property taxes for funding in the country, and are ranked 49th among the states in funding per pupil in the U.S. Rather than create more budget problems, Nebraska leaders should focus on fully funding our state's schools, roads and other essential services.

Tax reform in Nebraska should be balanced. Calls for coupling property tax cuts and income tax cuts are irresponsible and would be akin to cutting off two legs of a three-legged stool, especially when the state is already on the floor.



Crop insurance affects the viability of family farms and rural communities, production of healthy food and stewardship of clean water. We urge reform by capping benefits to large farms, incentivizing conservation and expanding access to all producers. | Photo by Wyatt Fraas

WHAT IS CROP INSURANCE, REALLY?

BY ANNA JOHNSON, ANNAJ@CFRA.ORG

A lot of you want to see more family farms and ranches and more businesses in our rural communities. You also care about healthy food and clean water. But if you're not a farmer, and I say the words "crop insurance," those words might just go in one ear and out the other. Well, guess what: crop insurance has everything to do with the viability of family farms, the health of rural communities, production of healthy food and stewardship of clean water.

But how? What is crop insurance and how is it connected to the kinds of decisions farmers make, with the kinds of farms we have on the landscape?

First, we have to understand why we have crop insurance. We know farming is risky for many reasons: weather and markets can be unpredictable, and they have huge impacts on annual profits. With crop insurance, farmers can manage this risk by filing a claim and getting a payment at the end of a bad season.

This risk is generally regional: if one farmer in an area battles drought, probably all the neighbors do too. When everyone brings in a claim at the same time, the insurance company faces steep payouts. The federal government

decided it was important to help farmers and insurance companies manage some of this risk, so it subsidizes crop insurance by supporting insurance companies and paying a portion of farmers' crop insurance premium.

CAP BENEFITS TO MAKE THINGS EVEN

Still with me? Unfortunately, there's a major problem with this setup: the nation's largest and wealthiest farms can insure against a greater level of production risk than smaller farmers can, giving the largest producers a financial advantage. Even though other federal programs have payment limits, there aren't any limits to what the government will pay on crop insurance premiums. Right now, if one operation farmed the entire state of Iowa and wanted to buy crop insurance to cover all of it, the federal government would cover 62 percent of their crop insurance premiums for every single acre. This undermines the financial health of our nation's small and mid-size farmers.

We believe a change in policy is needed to level the playing field for small and large farmers. There are a variety of ways to tackle this, such as capping subsidies, or reducing the amount of subsidy for higher levels of coverage. These or similar measures could make crop

insurance accessible to all farmers while removing the advantage that unlimited subsidies offer to some.

INCENTIVIZE CONSERVATION

Another issue with crop insurance: it represents a huge missed opportunity to encourage farming practices that are good for our soil, water and other natural resources. We know that practices such as planting alternative crops or implementing diverse crop rotations can build soil health, which improves crop outcomes, like increasing drought tolerance and reducing nutrient loss.

It would be fiscally and environmentally responsible to structure crop insurance to encourage conservation practices. At present, most crop insurance policies discourage common-sense conservation practices like crop rotation or crop diversity. We believe this should be reversed.

CROP INSURANCE THAT WORKS FOR ALL

Finally, there are a lot of producers who would like to be able to use crop insurance but aren't able to access policies that work for them. Crop insurance is very well set up for certain commodity crops - 70 percent of acres protected under crop insurance are planted in corn, cotton, soybeans

—SEE CROP INSURANCE ON PAGE 5.

SMALL BUSINESSES LOANED \$1.7M

BY JEFF REYNOLDS, JEFFR@CFRA.ORG

Fiscal Year 2016 was a record-setting year for Center for Rural Affairs' Rural Enterprise Assistance Project (REAP). In 2016, we placed over \$1.7 million in loans and reached significant numbers of women and Latino entrepreneurs across Nebraska.

2016 RESULTS

Use of microenterprise and small business services is at an all-time high, which truly speaks to the ability and capacity of small town entrepreneurs.

During fiscal year 2016, REAP provided assistance to 2,372 entrepreneurs. Over 75 percent of entrepreneurs served were low to moderate income. More than 63 percent were women, and 48 percent were Latino. We placed 123 loans totaling \$1,739,880 and leveraged an additional \$1,172,088 from other sources due to our loan packaging assistance. Our lending and counseling during this time frame helped create or retain 688 jobs (258 due to lending only).

Since the inception of our lending work in 1990, we have placed



In 2016, we provided assistance to 2,372 entrepreneurs. More than 63 percent were women and 48 percent were Latino. | Photos by Center for Rural Affairs staff

1,266 loans totaling \$14,103,011 while leveraging an additional \$22,243,415 from other sources thanks to the work of our staff.

NEW AMERICAN LOAN FUND

In response to the expanding Latino population, in 2016 we developed and launched the New American Loan Fund to offer loan products that lower barriers to access and provide capital that allows for job creation.

Our services are based in our belief in diversity, inclusion and

equity, and in our commitment to creating opportunity for rural Latino entrepreneurs.

The New American Loan Fund works outside the margins of conventional financing systems while creating an entry point for new Americans to eventually access the mainstream system.

LOANS UP TO \$150,000

In 2016, we successfully launched a small business lending product with a maximum loan limit of \$150,000.

CROP INSURANCE, CONTINUED FROM PAGE 4

and wheat. But producers who grow unique crops, who raise organic crops, or who are highly diversified often have a hard time finding crop insurance.

USDA's Risk Management Agency has been expanding its offerings in these areas - there are more organic policies, and a program called Whole Farm Revenue Protection is designed for diversified operations. But we believe there's opportunity to improve and expand these programs so they work better and for more farmers. Small producers and historically underserved producers are more likely to raise crops for which there aren't robust crop insurance offer-

ings. Ensuring that these producers have access to robust crop insurance will help them establish and grow their businesses. Their financial health and presence in rural areas contribute to the strength of rural communities. We believe that making crop insurance available to all producers will be an important step in our work of supporting small and mid-size farms and fighting for vibrant rural communities.

So that's how you fix crop insurance: cap benefits to the largest farms, incentivize conservation, and expand access to all producers and all crops.

To get involved, email me at annaj@cfra.org.

STUCK IN THE GAP: MORE THAN 2.6 MILLION AMERICANS ARE UNABLE TO ACCESS HEALTH INSURANCE

BY RHEA LANDHOLM, RHEALS@CFRA.ORG

Meet Blair Nelson. She recently went to the doctor for a physical and was forced to pay out of pocket, which took away money she had already allocated for other household bills.

Blair is a student, works part-time, and is one of more than 2.6 million American adults who are unable to access health insurance because she falls into the coverage gap. She makes too much income to qualify for Medicaid, but too little to be eligible for the tax credits that make private health insurance affordable.

Blair lives in Nebraska, one of 19 primarily rural states that have not closed the coverage gap by expanding Medicaid.

Amanda Christenson, a registered nurse at a primary health care clinic in rural Nebraska, said she often meets people like Blair who are unable to obtain health insurance and fall into the coverage gap.

“Due to lack of coverage, needed health care services are routinely delayed or denied in ways that significantly impact patient outcomes,” Amanda said. “Such gaps in care are not only a threat to quality of life for thousands of individual Nebraskans, but also prevent our health care system from improving and hurt our state’s economy.”

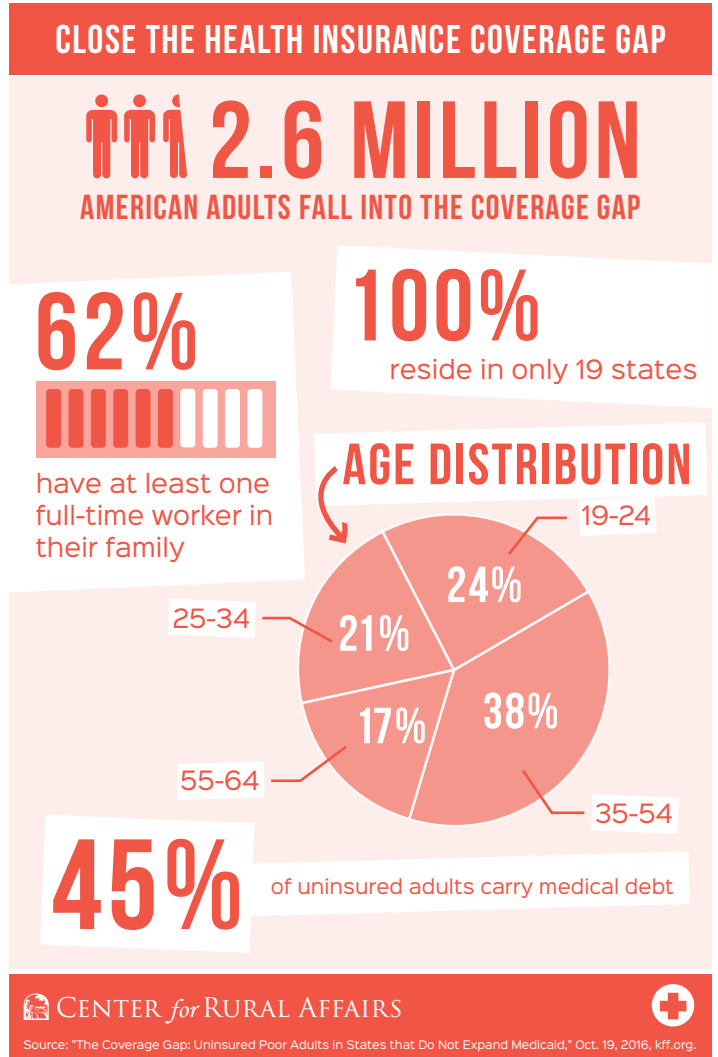


Blair Nelson stopped by the Center for Rural Affairs office to talk about health care. She makes too much to qualify for Medicaid, but too little to be eligible for tax credits that make private health insurance affordable, falling into a coverage gap. | Photo by Elisha Smith

EXPANDED ECONOMIC BENEFITS

States that have expanded Medicaid have seen a 16 percent decline in uncompensated care, which is care provided out of necessity that patients are unable to pay for. The high costs of uncompensated care is shifted to insured patients and contributes to higher insurance premiums.

Moreover, states that have expanded Medicaid now have 8 to 10 percent lower insurance premiums



than states that have not expanded Medicaid. Affordable access to preventative care services is proven to decrease overall medical expenses and improve quality of health outcomes for everyone.

“If we truly believe that we live in a society of equal opportunity, we will view access to health care as a basic human right,” Amanda said. “An investment in the well-being of citizens is an investment in the human capital that we so desperately needs for the future.”

It is time for the 19 states to take action on this important issue that directly impacts the lives of Blair and 2.6 million other Americans.



Community leaders are vital to rural communities such as Sidney, Neb. In Hastings, Neb., Aida Olivas is one who leads the charge. Because of people like Aida, small towns can be strong communities. | Photo by Rhea Landholm

AIDA, CONTINUED FROM PAGE 1

Aida has such a passion for serving her community because 20 years ago when she moved from Mexico, she was the one who needed a helping hand.

When Aida first arrived, she did not have English language skills. Language programs were not in schools and it was difficult to shop for basic supplies. Information on how to navigate the town was difficult to come by.

All that changed when Aida found Head Start. She volunteered, took ESL and GED classes, and still found time to work and raise her family. She won't tell you it was easy, because it wasn't. She said when she found Head Start, she felt welcome.

By volunteering at Head Start, she made strong community ties with city council members, chamber of commerce members, city officials and business owners. This led her to a job offer at Head Start, where she has worked for 11 years.

Aida is someone who intimately knows Hastings and is one of the community's biggest advocates. She has seen the town become more accessible. The public schools now have language programs, and

programs like Head Start have grown.

She sees community growth and the capacity building of its residents as a stronger Hastings together.

Aida said her motivation is her passion to help people.

"This job isn't 9 to 5, it's whenever and wherever the people who need help are," she said. "Everything in life takes a team. We help someone now, they help others later, that's what this country is all about. Giving people a chance to be a part of the community and contribute is exactly why I am where I am today."

However, this job is emotionally taxing. She says nothing is harder than "seeing the trauma others have to go through to pursue a better life, and being limited in what you can do to help."

It is because of this great well of empathy she is able and driven to do this work. Because of people like Aida, rural communities are vibrant and beautiful places. Because of people like Aida, small towns can be strong communities. Because of people like Aida, the American dream is alive.

PROPOSED MERGER, CONTINUED FROM PAGE 8

between input providers. Farmers have already lost access to seed varieties and genetic traits while seeing the prices they pay for biotechnology traits skyrocket.

The Center believes in the power of a competitive marketplace and understands the role of government in guarding against unfair and anticompetitive market practices. We, therefore, call on the Department of Justice to block further mergers between any of the big six (quickly becoming the big four) agrichemical-seed companies.

We encourage concerned citizens to reach out to their members of Congress to voice support for Department of Justice action to block proposed mergers.

We also call on Congress to reverse the decades-long decline in investment in plant breeding as they take up a new farm bill in 2017.

The recent merger activity should serve as a clarion call for the Department of Justice and Congress to act to protect a competitive market environment for independent farmers and ranchers.



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STATEMENT ON PROPOSED BAYER-MONSANTO MERGER

BY BRIAN DEPEW, BRIAND@CFRA.ORG

The proposed merger between German based pharmaceutical and chemical giant Bayer and U.S. based seed giant Monsanto would create the world's largest supplier of seeds and agricultural chemicals. A merged company would control a quarter of the world's seed and agricultural chemical market.

This proposed merger follows two other mega-mergers in the agricultural input market. The Dow-DuPont merger and ChemChina-Syngenta deal both announced in the last year are reshaping an already highly consolidated market.

As giant transnational corporations increase their power over the market, independent farmers are left with fewer options and suffer from less competition

—SEE PROPOSED MERGER ON PAGE 7.



The Center for Rural Affairs believes in the power of a competitive market place and understands the role of government in guarding against unfair and anticompetitive market practices. We call on the Department of Justice to block further mergers between any of the big six agrichemical seed companies. | Photo by Wyatt Fraas