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Land Stewardship Project State Policy Platform 2008

Renewing Family Farms & Rural Minnesota

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

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For 26 years the Land Stewardship Project has worked 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 past 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 a vibrant rural Minnesota and an efficient way of 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.

1. Supporting the Next Generation of Farmers

The 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 filled 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 Minnesota 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 would be up to 15 percent 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.

Status: This legislation has been introduced during the past two legislative sessions but failed to pass. Nebraska, Iowa and North Dakota have all passed similar beginning farmer incentives in recent years. If Minnesota is to become a Midwestern leader in supporting its beginning farmers, it needs to pass the tax credit program.

- **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: "You can farm." 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 promote stewardship of the land by:

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- **Improving water quality and conservation through a comprehensive working lands program that promotes landscape diversification and perennial cropping systems.** As part of 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 monitoring should be done to evaluate and enhance the program's effectiveness.

Status: As part of the Clean Water Legacy, during the 2007 legislative session \$1.5 million was appropriated to the Board of Water and Soil Resources to establish watershed restoration projects that restore natural hydrological functions to working lands. Such restoration efforts can include perennial cropping systems such as pasture-based livestock production.

- **Fully funding the Energy and Sustainable Agriculture Program (ESAP).** ESAP was established in 1987 as part of the Minnesota 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 agriculture 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. Full funding of \$250,000 per year should be restored to ESAP.

Status: During the 2007 Legislative session, funding for ESAP was increased from \$70,000 a year to \$140,000 a year. This was a good step towards full funding of \$250,000.

- **Strengthening the University of Minnesota's alternative livestock program and expanding the University's work in organic agricultural research and outreach programs.**

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.

Organic research and outreach: 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.

Status: During the 2007 Legislative session, the University was appropriated an ongoing increase of \$400,000 in its base funding for these programs. As of February 2008, the University has yet to announce how it will spend these funds.

- **State incentives should give equal treatment to family farmers, including those who are using sustainable and organic systems.** Tax credits, grant programs, and payment incentives for farmers should give equitable treatment to family farmers and sustainable farming practices. For example, a Dairy Investment Tax Credit should include credits for expenditures on pasture development and on-farm

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processing. Incentives should not be triggered by expenses that are beyond what small- to medium-sized farmers would spend to improve their farming operations. The state must be careful to ensure that incentives are not tilted towards the largest producers, thus creating an uneven playing field.

3. Local Democracy & 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.

Status: Legislation to undermine community and township rights was defeated in the 2007 State Legislative session. But we must guard against future efforts to weaken community and township rights.

- **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 named as a party on a feedlot permit. This will prevent the farmer from being solely liable, especially when environmental 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. This means that for 97 percent of feedlots, 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 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. In addition, the state should invest in basic market research to assess capacity and demand potential in various regions of Minnesota 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:

- **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 bio-energy that is produced from native perennials and community-based.** Research at the University of Minnesota by David Tilman and colleagues shows strong benefits both in terms of energy output and conservation when native prairie grass is used as a feedstock for bio-energy. 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 energy production from perennials.

Status: The 2007 Legislature authorized the establishment of a working lands conservation program for growing native perennial crops for bio-energy entitled, "Reinvest in Minnesota – Clean Energy." Through this program, the state will pay farmers who grow native perennials for bio-energy using practices that benefit water quality and wildlife habitat. The 2008 legislature should provide \$46 million in bonding funding to launch "Reinvest in Minnesota – Clean Energy."