

The Land Stewardship Letter

Keeping the Land and People Together



Land Stewardship Project www.landstewardshipproject.org Special Rural Development Report

Putting Farming Back in the Driver's Seat

One county wants to use a 'radical' tool to jump-start rural economic development: local family farming.

By Brian DeVore

To a passing motorist, the Roger and Amy Lansink farm in northwest Iowa is a typical collection of rolling fields and well-kept buildings. Neighbors may dismiss the farm as a little bit quirky, since all of its acres are certified organic. As far as the federal government is concerned, it's an agricultural operation that isn't worthy of huge subsidy payments because it chooses to grow crops other than corn and soybeans.

This article was originally published in the January/February /March 2006 *Land Stewardship Letter*.

But officials in nearby Woodbury County look at an operation like the Lansink farm and see something quite exciting: a supercharged engine of sustainable economic development.

During the past 12 months, Woodbury County has taken significant, precedent setting steps to make local, organic food produced on family farms a key component of its rural economic development.

In June 2005, the Board of Supervisors passed a first-in-the-nation policy that provides a property tax break to landowners who convert farmland to certified organic production. In January 2006, the Board followed up by passing another breakthrough policy: beginning June 1, when the county buys food it must be organically produced and processed within a 100-mile radius of the courthouse in Sioux City.

Rob Marqusee is Woodbury County's Rural Economic Development Director,

Driver's Seat, see page 2...



Northwest Iowa farmers Amy and Roger Lansink feel their diverse organic system benefits more than their own individual operation. Says Roger, "When you start using different management techniques that keep the money here, that's farm economic growth, that's rural economic growth..." (LSP photo)

A Note to Readers

This special report on how one county is attempting to use local, sustainably-produced food as a rural economic development tool is based on articles that originally appeared in the *Land Stewardship Letter*.

This publication is made possible by the members of the Land Stewardship Project, a nonprofit, membership-based organization.

Please consider joining the Land Stewardship Project. Use the order form on page 10 to join LSP, or visit www.landstewardshipproject.org to become a member electronically.

Thank you.

— the members and staff of LSP

and the main architect behind both the organic tax break and local food purchase policies. Marqusee is also these initiatives' number one cheerleader. He believes wholeheartedly that they provide an opportunity to revitalize the region's rural economy. But the civil servant knows when to temper his enthusiasm with a pinch of pragmatism. "Honestly, I think it's successful in its mere passage. If nobody converts it hasn't cost the county one penny," he says of the organic tax break. "My feeling is it worked the day it passed."

But the passage of these initiatives is starting to look like more than a moral victory. Since these policies were instituted, a major organic processing company has shown interest in locating facilities in Woodbury County. Some area landowners have shown serious interest in the organic tax break program. In addition, the local community college has launched a degree program in organic agriculture, farmers pursuing alternatives are starting to feel accepted in the community, and an initiative has been proposed in the Iowa Legislature that would create a statewide organic property tax break. Officials in Florida's Sarasota County are considering adopting elements of Woodbury County's policies, and in general a whole lot of people, both in northwest Iowa and across the country, are excited about the potential of these policies. These initiatives, and the groundwork that went into creating them, could create a food and farming climate unlike any other in the country, right in the backyard of some of the biggest agribusiness corporations in the world.

"It would be hard to find another county in the United States that has made such a clear commitment to local organic food," says Ken Meter, who does economic analyses of rural communities. "Clearly what Woodbury County has done differently is put an official seal of approval on this."

Keep in mind the organic/local food initiatives passed



in Woodbury County are still more potential than anything. But in a sense Marqusee is right: the mere passage of such policy is a victory in itself. It's an acknowledgment on the part of the community that entrepreneurial family farmers producing food for local consumption can be major economic drivers in a community.

Start making sense

Rob Marqusee is a tireless promoter of Woodbury County and "Siouxland"—a local term for an area that covers a handful of counties in northwest Iowa northeast Nebraska and southwest South Dakota—in general. He's a gregarious man who does everything with deep enthusiasm: from eating to bringing

How the policies work

For the organic tax break initiative, \$250,000 has been budgeted by the county over five years. Up to \$50,000 in tax breaks can be given in any given year, and an individual landowner can qualify for up to \$10,000 in abatements annually.

To qualify for the program, a landowner must agree to begin the three-year transition process toward being certified organic, and complete certification in that period. Landowners who don't complete the transition must return any property tax refunds they received through the program. For a typical Woodbury County farm, the tax rebate would be \$20 per organic acre. So a 500-acre farm would get \$10,000. Over five years, that would be \$50,000.

The local food buying initiative, which took effect in June 2006, requires the county to buy organic foods grown and processed within a 100-mile radius of the Woodbury County Courthouse. Organic foods from farther away or nonorganic foods may be purchased if a sufficient supply of a particular organic food item is not available locally. Right now, the county is spending \$281,000 annually for meals fed to inmates at the jail and the juvenile detention center.

The local foods initiative will be monitored so that the county can weigh any benefits buying from local producers can have on the local economy against the costs. If the costs get too high, the county can opt out.

For more on the policies, see www.woodbury-ia.com/departments/EconomicDevelopment/index.asp, or call 712-279-6609.

people together to talk about economic development. He seems genuinely surprised that Woodbury County is seen as a pioneer in using organic and local foods as economic development tools. "When I came up with the idea, I had no idea it was the first in the nation," Marqusee says, sitting in his darkened office in Woodbury County's historic stone courthouse. "It just seems so common sense."

To Marqusee, a \$20 per acre break on property taxes for converting to organic production is an investment in the future. And if you ask farmers to take special care in how they raise food, why shouldn't local government set a good example by buying some of that food?

After all, look at all the subsidies conventional farmers receive via the federal commodity crop programs, he points out. A different angle on rural economic development makes particularly good sense in light of the fact that federal commodity programs are failing our rural communities. "There is little evidence that farmers as a group are reaping significant gains from current U.S. agricultural subsidy programs, even though they are the direct recipients," wrote Tufts University's Timothy Wise in a recent analysis of the commodity

payment system. Census figures show that the counties with the biggest plantings of commodity crops such as corn and soybeans are losing populations the fastest. Small towns are drying up and becoming rest homes for the elderly. Young people are leaving in droves.

Woodbury County, despite the presence of Sioux City, is mostly rural. That means it is afflicted with many of the same problems as other regions dominated by commodity crop agriculture. According to an analysis of USDA figures done by Ken Meter's Crossroads Resource Center, the county's 1,148 farm families produced \$154 million worth of food annually between 1998 and 2003. But each year they spent \$178 million to raise it, losing an average of \$24 million in production costs annually. Meanwhile, the region's consumers—around 104,000—

Driver's Seat, see page 3...

spent \$203 million buying food each year during that same period. Around \$150 million of that was spent for food from outside the region, according to Meter's analysis.

It isn't just economic wealth that's vacating the region. Woodbury County is in the heart of the Missouri River's "loess hills" region, a ruggedly beautiful geological wrinkle that has produced dramatic heights constructed of wind-blown soil. That soil is fertile, but fragile, and intense corn and soybean production has taken its toll, despite efforts to reduce erosion and runoff with terracing and conservation tillage.

There's no doubt commodity agriculture is extracting economic, human and environmental wealth from the region, but how can a local government entity justify using tax money to support a different kind of agriculture?

Marqusee loves it when someone brings up that question; it gives him a chance to discuss one of his favorite topics: costs versus benefits. For example, what if the cheaper, imported food option is chosen? What is the cost?

"You're going to put your own farmers out of business to save \$250," Marqusee says. "So you're going to lose potentially millions of dollars in local benefit in terms of long-term growth in order to save a few dollars."

This is all part of his "parallel universe" theory where subsidized markets are viewed as free markets, and free markets are viewed as subsidized.

"If we are paying the true cost of food, that's not a subsidy, that's paying the true cost of food," he says with more than a hint of exasperation. "In every other purchasing decision made by the county, they look at other costs associated with the purchase. Every purchasing decision takes into account what we have included in the local food purchasing policy."

Indeed, when a county decides on where to purchase trucks or other equipment on the taxpayer's tab, it doesn't just consider the cheapest bid—a local dealer may be chosen over an out-of-county one even though it charges more, just because it's local and will provide easier access to maintenance, etc.

So why not local, organic food? One answer is because, unfortunately, local food producers—farmers, in other words—aren't seen as key ingredients in a strong rural economy. Government policy has created the perception that

food and fiber producers are too dependent on subsidies to power Main Street. They are being bypassed in favor of smokestack chasing ventures such as industrial parks and telemarketing call centers. Even when communities pursue seemingly farm-related ventures such as ethanol plants and factory livestock operations, those aren't really acknowledgments of family farming's role in a healthy economy environment. Rather, they are attempts to capitalize on a rural area's ability to produce cheap raw commodities.

'Extreme' development

"It is a radical notion to have farmers be part of the food economy, and to use the food economy as part of rural economic development," says Meter.

Rich Pirog, who leads the Leopold Center for Sustainable Agriculture's Marketing and Food Systems Initiative at Iowa State University, agrees: "You go to rural economic development conferences and agriculture often takes a back seat."

To put farming back behind the wheel will take a fresh approach. Both Meter and Pirog say Marqusee brings with him an attitude that's long overdue in rural economic development. Marqusee grew up in New York and Florida, and practiced law in California before moving to Sioux City in 1994 to work for Gateway Computers. In other words, when he was hired as the county's first ever Rural Economic Development Director in March 2005, he had next to no experience working in Midwestern rural areas. But as an employee of a large computer firm, Marqusee saw the disadvantage of depending too much on one company to support a region's economy.

To truly revitalize a rural economic, it must be from the ground up, instead of from the top down, he argues. Commodity subsidies are a top down approach. So are smokestack chasing projects such as ethanol plants. There's nothing wrong with bringing in an outside entity to help a rural economy, mind you, it's just that it has to be done after a community figures itself out, says Marqusee.

He tells the parable of the teenage boy who doesn't quite know who he is yet. He makes himself attractive enough to get the attention of a girl, but she soon realizes he doesn't have much direction in life, and she eventually drops him.

"Well, it's the same with rural communities," he says, barely containing his enthusiasm for the subject. "What you need is to develop your own identities

and have a strong sense of your own self worth, and your own direction, before companies from out of your area respect you and want to be part of your life." Without such an identity, he adds, a community is forced to use tax inducements and other bits of bait to basically "pay people to like them."

To Marqusee, places like northwest Iowa have an identity just waiting to be uncovered and developed. All the elements are there: rich soil, a strong farming heritage, a small urban consumer base (Sioux City has 85,000 residents), an infrastructure of roads, railroads and other amenities built up to support agribusinesses such as meat packing. This is farm country, and it should take advantage of that. A committed grassroots group of farmers, consumers, chefs, educators and health care professionals also believes in the area's potential to be more self-sufficient in food production. Called "Sustainable Foods for Siouxland," the group has been using an innovative year-round farmers' market, local foods meals, educational materials and support of Marqusee's efforts to get the word out: northwest Iowa can do more than produce corn and soybeans for the export market.

Granted, other boosters in the area see agriculture as the engine of the economy. An ethanol plant was recently lured to the area with millions of dollars in local, state and federal incentives. In nearby Buena Vista County, egg giant Rembrandt Enterprises is proposing an expansion that promises to produce a dozen jobs in the area, adding to the 110 already employed. The supporters of both the ethanol plant and the egg expansion say farmers will get a few more cents per bushel for their corn as a result. And Terra Industries, one of the largest manufacturers of nitrogen fertilizer in the world, is based in downtown Sioux City. Tyson Foods—the "largest provider of protein products on the planet," as the company likes to say—has warehouse space in Sioux City and a major beef plant just across the Missouri River in Dakota City, Neb.

Yes, agriculture is the economic engine of the area. But Marqusee and the members of Sustainable Foods for Siouxland argue that this is an agriculture based on using farms as sources of raw industrial material, rather than as local businesses that add and retain wealth in a





Farmers in the Driver's Seat

...**Driver's Seat**, from page 3

community. Terra, Tyson and Rembrandt employ people; they don't empower them to become entrepreneurs.

That's an important point to rural economic development experts.

"We know the number one indicator for economic development in an area is per capita income," says Marqusee.

Quantifying the benefits

One tool Woodbury County has used to make the argument for policies that support organic/local foods is the Iowa Produce Market Potential Calculator, which was developed by the Center for Transportation Research and Education and the Leopold Center for Sustainable Agriculture at Iowa State University. The "calculator" has an Iowa map that shows both statewide and county-by-county supply and demand figures for each of the 37 fruit and vegetable crops that can be grown in Iowa. By calculating how much wealth could be kept locally if a certain crop was raised and consumed in an area, the economic impact of sustainable agriculture can be measured quantitatively, says Rich Pirog, who leads the Leopold Center's Marketing and Food Systems Initiative.

"We know some of the qualitative reasons why this is good and that's very important to us in sustainable agriculture," he says. "But we need to quantify it. We need to show it will have a certain impact on the economy. You need to have an answer to the economic development person who says, why should I support local foods versus bringing in this computer business or ethanol plant?"

The calculator shows, for example, that Woodbury County consumes over 1,800,000 pounds of tomatoes annually, but produces only 150,000 pounds. That deficit means \$696,000 in farm revenue

Monetary motor

This isn't just a numbers game to Marqusee, a game of getting as many acres converted to organics as possible, for example. If that was the case, then he'd just try to lure organics giant Cascade Farms into the area. This is about individual entrepreneurs, about per capita income.

That's the argument Marqusee made to the Woodbury County Board of Supervisors, and they bought it—partly because of Ken Meter's dire figures, but also because of other studies showing that local organic production can be good for the economy. For example, Luanne Lohr, an economist at the University of Georgia, has studied economic data of 1,208 counties that have organic farms. She's found in general organic farms are an economic plus for a community. The net return to agricultural sales, calculated separately from gross returns and farm expenses, averaged \$3,587 per farm

is being lost every year in the county. Now, the county may never come close to supplying all the tomatoes its citizens demand, but fulfilling a percentage of that could make a huge difference. On a statewide basis, if just 25 percent of the fruits and vegetables consumed in Iowa were grown there, the economic impact would be nearly \$140 million in output. Over \$54 million in labor income would be paid to 2,032 jobholders, according to the Calculator.

"It's really exciting," says Pirog.

There is an historical precedent for diversifying rural economies in farm country. In 1920, there were 34 different crop and livestock enterprises present on at least 1 percent of Iowa farms. Today, after decades of fencerow-to-fencerow planting of row crops, there are 11 such enterprises.

The Leopold Institute will do a year-long modeling study to determine the overall economic impact of Woodbury County's new policies, based on various scenarios.

Says Pirog, "Woodbury County is going to be one of the most researched places around."

For more on the Iowa Produce Market Potential Calculator, see www.leopold.iastate.edu/research/calculator/home.htm, or call Rich Pirog at 515-294-1854.

higher for organic farms. Counties with organic farms have \$36,510 more market value in land and buildings. The average farm in a county with organic farmers pays \$10,521 more in property taxes.

And here's another important piece of demographic data contained in Lohr's research: the average organic producer is seven years younger than the typical U.S. farmer.

That's an important statistic to decision makers like County Supervisor and lifelong Siouxland resident George Boykin. "We need to create an atmosphere where you retain young people on the farms," Boykin, 66, says. "There are graduates every year from our high schools that leave the area. A lot of them would like to stay."

Boykin says the new organic/local food policies are good because they not only benefit individuals, but the region as a whole. "Once it takes hold, it's going to change western Iowa significantly."

A smooth running engine

A changed western Iowa might resemble the Roger and Amy Lansink farm. Roger is 40 and Amy 38. They started farming in 1989, and for a few years pretty much did things conventionally. But they weren't happy with the results, either financially or environmentally. In the mid-1990s they started converting to organic production on the 320 acres they were farming at the time. Organic farming was a \$30,000 turn-around right off the bat.

"Conventionally we were spending \$6,000 for commercial fertilizer, insecticides, herbicides, that sort of stuff," recalls Roger. "And when the whole farm was certified...we eliminated that \$6,000 of expense. Plus we increased the value of our crops by \$24,000."

Their crop and livestock operation has since grown to 850 acres, and is supporting the Lansinks along with their four children, ages 7-18. In fact, their 18-year-old, Derek, is joining the operation after he graduates from high school.

"He can't wait to farm," says Roger with a smile on his face.

The Ida County farmers market most of their crop out of state and even internationally. Even though the Lansinks don't live in Woodbury County, they hope the pro-organic agriculture policies there will benefit them by luring natural foods processors to the area, thus providing more local markets for their production.

Driver's Seat, see page 5...

"When you start using different management techniques that keep the money here, that's farm economic growth, that's rural economic growth," explains Roger as he takes a break in the kitchen before the afternoon chores. "If we had stayed farming conventionally I'd have to leave the farm for an eight-hour job to gain \$24,000 in income. But through management we created that job right here on the same acres."

Because of the price premiums they receive for their corn, soybeans, field peas, buckwheat, hay and beef cattle, the Lansinks have more income to spend locally, says Roger. "Everyone benefits down the line."

Grabbing some value

Woodbury County Supervisor Mark Monson thinks the policies could also help retain something else in the area: food and all the value that goes with it. He would particularly like to see these policies spawn local processing and even a regional food label.

"Our county exists because of agriculture, there's no doubt about it," Monson says. "But the agricultural production goes on a train car, and takes the value with it. It goes a thousand miles away and then comes back in a box, and the farmer gets none of that value. If you can capture the value in at least one product before it leaves, that's tremendous."

Just a few blocks down the street from the Woodbury County Courthouse are the low-slung offices of the Siouxland Chamber of Commerce. The Chamber sits literally in the shadows of the Terra Industries high-rise, which, with its mirrored glass and sharp angles, is easily the most impressive building in the city. Within spitting distance is the Tyson Events Center, another reminder of a major agribusiness presence in the region. But when the subject of making local, organic agriculture an economic engine in the area is brought up, Chamber officials are very supportive.

"This is a way to introduce people back onto the farms," says Debi Durham, president of the Chamber. "I think they're doing it right," she says of the work Marqusee and the other citizens are doing. "It's very practical and business-like how they are approaching it."

Durham concedes that when these ideas about making the area an organic mecca were first brought up, "people kind of scoffed at it." But as more information has come out about the potential eco-

nomie impact, people are being won over, she says. Nationally, the organic food market is growing by 20 percent a year, and a new Hy-Vee supermarket in town has a significant organics section.

It doesn't hurt that in 2006, a national organic processor showed interest in setting up a facility in the area. In fact, the processor—Durham wouldn't reveal its identity—has made two site visits, meeting with local government officials,

the citizens' group and Chamber officials. Durham doesn't beat around the bush when explaining why the processor is showing an interest in the area.

"The only reason they are looking here is because of Woodbury County's policy on food," she says. "We're attractive to them because they know they can come into this region where people have shown support for organic foods." □

The great galvanizer

After seeing one of Ken Meter's presentations on how much wealth is leaching out of rural communities, local residents have one of two reactions.

"Some people throw up their hands in frustration, and some get galvanized into action," says Rich Pirog of the Leopold Center for Sustainable Agriculture at Iowa State University.

The residents of Siouxland apparently have gone for the latter response. Meter gave one of his presentations to the Woodbury County Board of Supervisors before they voted on the local food purchase policy in January. He also presented at an organic conference held in the county in November.

Meter, who is President of the Minnesota-based Crossroads Resource Center, uses USDA statistics to show just how much our commodity programs are hurting communities. His series of "Finding Food in Farm Country" studies are based on the thesis that the more agricultural products that are exported out of the region, and in turn the more finished products that are imported in, the less wealth remains locally. He has done such analyses in Iowa, Minnesota, California and Hawaii.

Meter's figures show that farm cash receipts have plummeted steadily since the 1970s, when government policy pushed mightily for fencerow-to-fencerow plantings of row crops that could be exported overseas. And getting more "efficient" doesn't necessarily help: farmers earned less producing crops in 2002 than they did in 1969, despite doubling their productivity. The biggest losses are in Corn Belt states Illinois, Iowa and Minnesota.

In west central Minnesota, which raises 23 percent of the state's corn and 22 percent of its soybeans, \$1 billion is being sucked out of the region annually by a food and farm economy that exports raw commodities and imports finished

products from hundreds, sometimes, thousands of miles away. It breaks down this way: \$150 million is lost by farmers raising food, \$600 million is lost through the purchase of outside agricultural inputs, and \$250 million is lost when consumers buy food produced outside the area.

The impacts on Main Streets are crippling. Census figures show the counties with the most acres in corn and soybeans are losing population the fastest. But the federal government appears to believe that there's nothing wrong with rural areas that more commodity production won't fix.

"The corn and soybean economy is not a food economy, it's an industrial raw commodity economy," says Meter. "Saying the commodity market is going to save rural areas is ridiculous since we don't have control of the commodity market."

But Meter also has some good news: There is a huge unrealized market for local foods in these rural communities. Local consumption and processing of food can be a major way to keep wealth local.

In southeast Minnesota, for example, consumers spend about \$500 million annually to buy food from outside the region. If southeast Minnesotans were to buy 15 percent of their food from local sources, it would generate as much income for the region as two-thirds of what farm subsidy payments produce now.

Meter says increasingly rural economic development officials, frustrated by their lack of effectiveness through traditional smokestack chasing initiatives, are showing up at his presentations, often with county supervisors, lenders and farmers in tow. At one recent meeting he spoke at, five commodity groups were represented.

"I think things are so glaring that people are paying attention," says Meter.

For more on the Crossroads Resource Center's work, see www.crcworks.org, or call 612-869-8664.

Putting the Rural Development Pieces Together

What does it take to make an innovative economic development proposal into a practical, daily reality?

It's a snowy winter morning in northwest Iowa, but the food is good and hot inside Firehouse 29. People stamp the snow off before entering the former Sioux City fire station and sit down at long tables. Around the perimeter of the cavernous room where fire trucks used to be parked are local farmers selling everything from grass-fed beef and pastured pork and eggs, to hydroponic tomatoes, garlic and crafts. Volunteers take customers' orders and come back with eggs, bacon, toast and other mainstays of a Midwestern breakfast.

A man in his late 60s finishes up his bacon and eggs. "How was everything?" Candace Seaman, the hostess whose husband-chef Paul Seaman cooked the meal, asks.

"Wonderful," he says. The man explains he used to truck eggs, and was often shocked at the poor quality of the shipments. But the eggs he just polished off were top-notch, he reports. "That bacon was great," he adds, pausing a moment. "This is great," gesturing toward the whole room. Seaman then goes into an informal, but informed, explanation of why the food was so good. As it turns out, the bacon and eggs were produced by farmers right in this room, she says. The former trucker thanks her, and wanders over to the farmers' market to learn more about the source of his breakfast.

This "Floyd Boulevard" breakfast, which serves 120 to 200 people every Saturday morning, plus around 125 more for special Sunday brunches, is putting a face on Northwest Iowa's food. It's part of a multi-pronged strategy to make local, organic food a major part of the multi-county Siouxland experience. There's nothing unique about farmers' markets, meals structured around local food, or a committed group of volunteers promoting such activities. What stands out here is that an initiative like this is seen as more than a nice little boutique event for bringing people into a struggling downtown. It's an integral part of an overall strategy to make agriculture—food producing agriculture, rather than raw commodity producing agriculture—a key part of northwest Iowa's economy. Also unique is that this drive to make local, organic food a player in

This article was originally published in the April/May/June 2006 *Land Stewardship Letter*.

the economy is being done with the help of a local government entity—Woodbury County in this case.

Prime development

In June 2005, the Woodbury County Board of Supervisors approved tax breaks for landowners who convert farmland to certified organic production. In January 2006, the Board said the county must favor organic food raised within 100 miles of the historical courthouse when making purchases for its jail.

It's too early to tell what real impact, if any, these policies will have; as of early summer no farms in the county had made an organic transition because of the tax break, and the food purchasing program was just getting off the ground.

Iowa State University's Rich Pirog says that if the Woodbury County initiative is to grow past the "exciting potential" stage, multi-faceted, broad-based efforts must take place. It will

likely take several years for this to succeed, and that means constant monitoring and support to bolster the program, says Pirog, who leads the Leopold Center for Sustainable Agriculture's Marketing and Food Systems Initiative.

"In Woodbury County, things are prime right now," he says. "The key is going to be pulling all these pieces together."

Perhaps that makes Rob Marqusee the puzzle master. As the county's Rural Economic Development Director, he helped set things in motion by developing the organic tax credit and local food purchasing policies. Now his office is serving as the epicenter for all of the infrastructural changes that are needed to make this a reality.

"I've never had so much fun in my life," says Marqusee after breathlessly reeling off the various ventures related to local/organic foods he's juggling.

The former attorney justifies grappling with so many puzzle pieces by making a

Puzzle pieces, see page 7...



Woodbury County official Rob Marqusee discussed family farming and economic development issues during a Saturday breakfast at the Floyd Boulevard Market in Sioux City, Iowa. The farmers' market/local foods breakfast is part of a multi-pronged strategy to revitalize the region's rural economy. (LSP photo)

basic economic argument: tax breaks to get someone to convert to organics are not a financial drag on society—they are an investment. Spending a few thousand dollars now to help farm families adopt a system that will help keep them in business will return benefits to the community many years down the line, he argues. Not providing the tax break, or not buying food locally, all in the name of saving money in the near term, will cost the community hundreds of thousands of dollars when a family farm goes out of business and stops being an entrepreneurial presence in the community.

Marqusee quotes studies that show organic farming and local food initiatives can be of great economic benefit to a community. He also cites dire statistics showing how the production of raw commodities like corn and soybeans is decimating rural communities.

But Marqusee also realizes that a \$20 per acre tax credit, or a few thousand dollars worth of local food sales alone won't reshape the region's agriculture. He knows there are other pieces as well, and is working with local citizens, farmers and educators to develop them. Woodbury County's drive to make family farming an important economic driver will require committed activist citizens, support from educational institutions, a technical support network for farmers, and savvy consumers. If nothing else, the passage of the county's ground-breaking policies unearthed all the preparation that needs to be done to make these seeds sprout and thrive.

Putting a face on the food

Penny Fee and the other members of Sustainable Foods for Siouxland are part of that preparation. This committed group of citizens organized the Floyd Boulevard Market, and with the help of the Humane Society of the United States, developed a colorful tabloid-sized publication that asked the provocative question: "What if Siouxland could feed itself?" ("If Siouxland residents bought just 10 percent of their food from local farmers, 100 million dollars in new activity might be generated," states the publication.) Fee, who is president of Sustainable Foods for Siouxland, says the goal of the group is pretty basic: "To offer people a way to buy food that has not been messed around with." A former French teacher and caterer, Fee says she was drawn to this issue by the love of food.

As a caterer, "I drove all over north-

west Iowa and northeast Nebraska looking for food I felt good about serving to my clients," she recalls. "The bottom line to all of this is taste."

Fee feels it's a travesty that a region so rich in soil is dominated mostly by corn and soybeans. And she and other members of Sustainable Foods for Siouxland feel that there is a connection between taste, local food and healthy rural economic development. That's why in 2003 a group of three-dozen farmers, consumers, health care professionals and community leaders got together and discussed the idea of creating a year-round farmers' market.

There is already a seasonal farmers' market in Sioux City. But the Floyd Boulevard Market, which opened in 2004, is unique in that it combines the



weekend breakfast meals with the traditional farmers' market, and is connected with a local meats vendor across the parking lot called One Stop Meat Shop. The farmers' market features 20 to 30 vendors and there are plans to expand it in space as well as the number of farmers present. The citizens' group has purchased processing equipment and wants to start creating locally labeled products like salsa.

The Floyd Boulevard Market is also different than the typical farmers' market in that vendors must sign a pledge that they are using environmentally sound methods, treat livestock humanely, use minimal processing, and are either certified organic or are taking significant steps to reduce the use of chemicals in production. The vendors are required to have their pledge with them at the market, and consumers can ask to see the paperwork at any time.

Chuck Hinrichsen is only too glad to talk to consumers at the farmers' market about his production methods. Hinrichsen's farm is a five-minute drive from Sioux City. This makes it handy for direct marketing of his grass-based beef

and chickens, as well as produce. Hinrichsen bought the farm six years ago, a week before it was to begin sprouting housing projects. Ever since, he has been converting the former corn and soybean farm into a grazing operation. He sells his products right off the farm, and says families love to visit the operation and see how their food is being produced. He was one of the original vendors at the Floyd Boulevard Market when it opened in 2004. He still spends his Saturdays there, meeting consumers and selling them food raised within a few miles of the former fire station.

The farmer likes all the excitement Woodbury County's local food policy has created, but he's skeptical whether many conventional producers will convert in order to take advantage of price premiums from certified organic production/local markets for food.

"I think it's a wonderful idea, but the slowest changing farmer in the country is the Midwestern farmer," Hinrichsen says.

Subsidies aren't enough

Indeed, financial prods such as tax breaks alone can't significantly alter a farm's direction. An analysis of organic conversion subsidies in Sweden found that they tend only to work for farmers who are already on the road to converting. That's because most farmers have limited exposure to organic systems on a daily basis. In addition, the overall marketing and technical information infrastructure supports conventional agriculture, conclude the study's authors, Luanne Lohr and Lennart Salomonsson, of the University of Georgia and the Swedish University of Agricultural Sciences, respectively. In fact, most of the organic Swedish farmers they studied converted for non-economic reasons, and conversion subsidies served as a kind of final push to make the switch.

But Lohr and Salomonsson's paper points out that the government organic subsidy system also serves an important, non-financial role: moral support.

"The existence of a subsidy demonstrates that government and society recognize the positive externalities associated with organic agriculture and are willing to pay to obtain these benefits," say the authors. "National policies that favor organic agriculture send a strong message about social preferences to non-organic farmers as well, potentially moving conventional agriculture

toward more environmentally sound practices.”

The paper says that Sweden’s experience should serve as a lesson for U.S. agriculture, where the infrastructure supporting alternative farming systems is even less robust. Conversion subsidies can help, but not without a bigger system in place that supports everything from technical know-how to processing to marketing.

Taking it slow

Northwest Iowa farmer Cyril Venner concurs with the researchers’ conclusions. His organic operation in Carroll County has grown from 160 acres in 1970 to 1,200 acres today (there’s roughly 200 additional acres that are in transition to being organic). Three of Venner’s sons are now involved in the operation, which includes corn, soybeans, wheat, oats, hay, small grains and beef cattle (the cattle aren’t organic, but are hormone-free).

Venner, 79, is pretty much retired from active farming now, but as he sits in his relatively new ranch-style home outside the town of Carroll, it’s obvious he’s proud of the fact that the farming operation now supports four families. One son’s farmstead is right across the road; all are within a mile of Venner.

“They saw what I was doing when they came out of school and they wanted to get involved,” he says. “I didn’t do any arm-twisting.”

But Venner also emphasizes the importance of taking it slow and seeking out information relevant to the area someone is farming in. He says it took him seven or eight years before he “felt comfortable” with his organic system. During those early years, he spent a lot of time calling experts and other farmers—and made a lot of mistakes. In recent years, the farmer has spent a lot of time mentoring others who are interested in switching to organics. Transitioning to organic still takes a lot of information digging, but Venner feels that government institutions such as Iowa State University Extension are becoming a little more friendly to this type of farming.

“When I got started, they not only didn’t give you information,



they laughed at you,” he recalls. “That’s changed, thank god.”

Dennis and Wren Smith say that’s why one of the most valuable things to come out of the Woodbury County policies may be just the confidence boost it provides farmers like them.

“I think it’s great that they recognize something different out there,” says Dennis on a recent evening after shipping off a load of organic soybeans.

The Smiths raise corn, soybeans and flax on 221 acres east of Sioux City near the community of Correctionville. They started farming in 1973 and went organic in the 1990s because of environmental concerns. Dennis says he has no regrets

about going organic, but it can still be a struggle to deal with weeds without chemicals.

“I’m a fence-looker, I’m always looking over the fence at my conventional neighbors,” he says. “It’s hard to see them have such a perfect farm with so little effort.”

That’s why he understands the resistance to converting to organics.

“I see people who are interested but who are really too scared to leave their chemicals,” he says. “The weed control scares them. Timing is everything in weed control. If you have a mother nature problem, it’s with you all year.”

The Smiths and Venner say that getting advice from others was key in their early organic years. And even though there is more information available through conventional channels than there was even 10 years ago, support during the transition period is key. If Woodbury County’s organic transition tax break program is to attain real, long-term results, an information network is critical, say farmers and sustainable agriculture experts.

Puzzle pieces, see page 9...



Northwest Iowa organic farmers Dennis and Wren Smith say transitioning into chemical-free farming is difficult. “I see people who are interested but who are really too scared to leave their chemicals,” Dennis says. “The weed control scares them. Timing is everything in weed control. If you have a mother nature problem, it’s with you all year.” (LSP photo)

“When I first met Rob Marqusee and talked to him about it, that was my biggest concern,” recalls Roger Lansink, an organic farmer in northwest Iowa’s Ida County. “It’s a great program to try to entice farmers to go organic. But you need to make sure these farmers go out and get the correct information so that they don’t fall flat on their face.”

Lansink echoes the concerns of a lot of organic farmers in the region when he expresses concern that the “CRP effect” will repeat itself. In the late 1990s, farmers converted former Conservation Reserve Program (CRP) acres to certified organic to take advantage of high prices paid for crops like soybeans. The setaside land, which was planted to grasses in long-term contracts, was eligible for organic certification immediately when converted to crop acres.

But many converted CRP land hoping for quick organic price premiums without really knowing what they were doing. That means when problems cropped up with the organic system, they reverted to what they knew—conventional farming. One estimate is that only around 20 percent of the CRP land converted to organic cropping is chemical-free today, says Lansink. He and others don’t want the Woodbury County program to suffer the same fate.

“If the people who take part in it do their homework, and know what they are getting into before they do it, I think it will be a good thing,” says Lansink. “But if they say, ‘Look here’s a \$20 an acre advantage every year,’ and that’s the only reason they get into it, odds are before they get into the fifth year they’re going to be done. If that is all that happens it will be looked back on as a failure.”

Marqusee has taken such advice to heart, and is working hard to create a supportive environment for organic transition. In November 2005, he and the Organic Grassfed Beef Coalition sponsored the area’s first ever organic conference. Attending were local farmers like Lansink, as well as sustainable ag luminaries like Fred Kirschenmann and Gerald Fry. And in March 2006, when the first Woodbury County landowner showed interest in enrolling in the organic tax break program, Marqusee recruited Lansink and grass-fed beef producer Tom German to go and talk to the operation’s farm manager (the land is owned by a local businessman). The 630-acre corn and soybean farm is within the city limits

of Sioux City, in the midst of the fragile loess hills. The location makes it ideal for possibly direct marketing to urban consumers. On the downside, the topography makes much of the farm too hilly to be cropped sustainably, and a lot of it “should never had been cropped” in the first place, says Lansink.

To say the farm manager was skeptical about organic agriculture is an understatement. He made it clear as soon as the farmers arrived that he believed all organic farms were overgrown with weeds and that they produced one-third to half the yields of their conventional counterparts. Roger pointed out that once an organic system gets established, weeds can be controlled. In fact, the farm in question was already experiencing major weed problems, even with the use of chemicals, an indicator, Lansink believes, of worn out soil. Then came the time to deflate the yield myth. It turns out Lansink’s organic corn and soybean yields are significantly better when compared to the conventional farm.

Lansink and German’s advice was to begin converting parts of the farm to hay and grass-based beef production. They talked about setting up a brood cow herd and finding markets for organic feeder calves. Their basic advice? Go very slow.

“You don’t want to go all at once with land as different as that,” says Lansink.

It remains to be seen what will become of this advice. The farm owner has decided for now not to enroll in the program. Whatever the outcome, Lansink feels he and German were able to correct some major misconceptions. The experience also renewed Lansink’s interest in starting a more formal organic farming mentorship network. The group he’s involved with, the Iowa chapter of the Organic Crop Improvement Association, has talked about setting up such networks in the past. With the growing interest in organics, along with government support such as what Woodbury County is offering, the time might be ripe for such a network, says Lansink (see the sidebar on page 10).

“I think we are getting to a time where it will work,” says Lansink. “We’re getting past the time where organic farms are the strange ones.”

Entrepreneurial ag goes to college

Western Iowa Tech doesn’t think Lansink’s type of farming is strange anymore. During the fall of 2006, Sioux City’s community college began offering

a one-year diploma program in organic agriculture. Awoke Dollisso, an Agrisystems Technology instructor at the college, says there has been talk for some time about offering coursework that would be unique and would “contribute to the local economy.” The tremendous growth rate in the demand for organic products, as well as the increasing amount of information available, has gotten college officials excited about offering a degree program in this area. The fact that Woodbury County has put its official seal of approval on organic agriculture helps as well, he says.

“As we discussed it, people got very excited about it,” says the professor.

In the areas of agriculture, the college currently offers programs in technology, animal science and food technology. Agribusiness giants Terra Industries and Tyson Foods have a major presence in the region, and many graduates of the community college’s agriculture program go on to work for those firms, or transfer to a four-year degree program at a land grant university.

But the organic agriculture program will be targeting students who want to run their own farming business, rather than be employed in agribusiness.

“This is not a typical approach,” says Dollisso, who did research on sustainable agriculture while getting his doctorate in ag education at Iowa State. “This is more entrepreneurial—going back and building their own business.”

The machinations of the new organic degree program are still being worked out, but Dollisso hopes to see it cover crops and livestock, and provide training in everything from transitioning out of conventional ag to certification. In addition, Woodbury County has provided 20 acres of land to the college where students can get real world experience doing organic production.

Bringing them back

Getting the local community college involved in a rural development strategy that’s based on entrepreneurial agriculture only makes sense, says Marqusee. It’s just one more way for a community to pull itself up by its own bootstraps and maybe keep some young people home in the process.

And yet he realizes the region faces a bit of a “chicken or the egg” quandary: how does a community hinge a develop-

Puzzle pieces, see page 10...



ment plan on local, organic foods if relatively little of it is being produced in the area? And yet, how does one prime the pump for that kind of production in the first place?

All Marqusee knows is that this activity is creating the kind of excitement that, with a little luck, may build on itself. In 2006, a national organic processor began considering the community as a site for a future facility. Woodbury County was in the running for the facility precisely because of its policies that promote organic and local foods, say local Chamber of Commerce officials.

And a landowner has applied to put a small farm in the organic transition program. Even better, says Marqusee, is that a Woodbury County resident recently called to say he was returning from Texas to farm family land in the area, and the local/organic food initiatives were part of the reason.

“That’s the point of this program—to bring young farmers back to the area. I’m going to take any young farmer I can on any acres I can.” □

The farmer-to-farmer grapevine

As Woodbury County officials have recognized, it has become increasingly clear that farmers cannot successfully transition into alternative systems such as organic production without the help of mentors who are already out there farming. Those mentors can’t be in the next state. They have to be familiar with the local climate, soil and marketing challenges a transitioning farmer will face.

The Minnesota Organic Farmers’ Information Exchange (MOFIE) is a good example of such a local mentorship network. The program, which is sponsored by the University of Minnesota’s Southwest Research and Outreach Center, the Minnesota Department of Agriculture and the USDA’s Risk Management Agency, consists of 22 certified organic producers from across Minnesota. Their expertise covers, among other things, crops, grazing, beef, goats, dairy, poultry, vegetables, fruit, grain milling, maple syrup and flower production.

By being on the list, each mentor has agreed to answer questions via telephone calls or e-mails. The MOFIE list provides background on each farmer’s operation, as well as what time of the day they prefer to field queries.

Carmen Fernholz, a western Minnesota organic crop farmer who serves as a MOFIE mentor as well as its manager, says he gets three or four calls/e-mails a week during the spring and early summer from farmers asking about weed control and crop rotations. “The third concern they ask about is marketing,” he says.

The MOFIE mentor list can be downloaded from <http://mofie.coafes.umn.edu>. A paper copy can be obtained by contacting Fernholz at 320-212-3008 or fernholz@umn.edu.

Yes, I want to support Land Stewardship Project.



Clip & mail this form to:
**LSP, 2200 4th Street,
White Bear Lake, MN 55110**

- Please sign me up as a new member
- Please renew my membership
- Please send a gift membership to the person below
- Please accept my donation beyond membership

Stewardship memberships*

___ \$200 or more \$ _____
 ___ \$20 or ___ per month
 ___ \$20 or ___ per quarter

Supporting memberships
 ___ \$50
 ___ \$100

Basic memberships
 ___ \$35 Basic
 ___ \$20 Limited Income

*Monthly or quarterly pledges and gifts above the basic amount greatly strengthen LSP’s work.

Thank you for your contribution. Your gift is tax deductible

Name _____

Address _____

City, State, Zip _____

County _____ Phone (____) _____

E-mail: _____

LSP can use to send: action alerts
 renewal notices
 LSP’s monthly e-letter: *LIVE-WIRE*

I am a: City/Suburban resident Small Town/Rural resident
 Farmer—what do you raise? _____

Payment Information

- Check enclosed, payable to *Land Stewardship Project*
- Charge \$___ once / monthly / quarterly to my
 _ Visa _MC

Card Number _____

Exp. Date _____