

THE FARM ISSUE

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Dakotafire

SUMMER 2012

FARMING SMARTER, NOT LARGER

THREE FARM FAMILIES THAT
DO THINGS DIFFERENTLY

Page 11

Lee and Jim Kopriva



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What is Dakotafire?

Sparking rural revival is our goal, and we intend to do it by igniting the power within you.

Dakotafire is a journalism project that pools the resources of community newspapers and rural experts to report on issues of importance to rural communities in the James River watershed area of North and South Dakota.

The project is intended to give you, the people of this region, a "big picture" view of the challenges you face—from the way past generations have addressed similar problems to the insights of experts who study these issues to the way others in the region and beyond are finding solutions—so you are better informed when you make decisions about the issues that affect your lives.

Dakotafire's alliance of reporters and editors work together to produce in-depth, regionwide coverage of issues vital to the sustainability of the area's rural communities. This alliance, which connects these journalists online, allows them to cover topics that they could not address as successfully alone.

The results of this reporting are published online at Dakotafire.net and in a quarterly magazine distributed in the newspapers. As the project progresses, reporting will be done in a variety of formats, including traditional

story forms, photo essays, interactive infographics and video.

The "common voice" of Dakotafire is intended to help all the people of the region, which is similar in topography and population demographics but stretches over 22,000 square miles and crosses a state border, see one another as allies in facing common challenges and opportunities. The information Dakotafire provides is designed to spark discussion, to challenge conventional thinking and to get people to consider alternative possibilities. Dakotafire.net as well as its presence on Facebook (search for Dakotafire Media) and Twitter (@DakotafireMedia) will serve as a conversation space for the region's people.

As part of the Knight Community Information Challenge, the three-year project has received \$240,000 in support from the John S. and James L. Knight Foundation and \$60,000 from the South Dakota Community Foundation, with additional support coming from Dacotah Bank, other foundations, and corporate and individual sponsors. The project is being implemented by Dakotafire Media, LLC, a media company based in Frederick, S.D., owned by Heidi Marttila-Losure and Troy McQuillen. *



Community

BY HEIDI MARTTILA-LOSURE, EDITOR

Since we at news organizations advocate for openness and transparency in the entities we cover, it's only fair that we are as open and transparent as we can be ourselves.

So with that in mind, here is Dakotafire's editorial strategy in a nutshell: Dakotafire is pro-community.

This might seem self-evident for a publication that serves a certain community, and it might even seem like a cop-out. What kind of publication wouldn't be pro-community?

But as we look at our own rural hometowns, it's pretty clear that along the way, many decisions have been made that have not been favorable to our communities.

Those decisions, many of them made in the field of agriculture, may have benefitted some parts of our communities over others, or decision-makers may have determined that damage to the community was a necessary or acceptable trade-off in the pursuit of another goal.

Our goal at Dakotafire is to speak up for the community interest as these decisions are being made. How will one course of action or another affect our communities? Is there a way to serve



Heidi Marttila-Losure
Editor, Dakotafire

our communities' needs as we strive for other goals? If not, is the sacrifice worth it?

My own experiences have influenced my thinking on the importance of community in decision-making. When my husband and I were making plans to go back to rural living from our home of the time in Iowa about five years ago, the sense of community that we experienced on visits to the Dakotas was one of the reasons we wanted to move here.

My husband's family has a farm in Iowa, and his uncle once asked him if we might ever want to move to that farm someday. We discussed it, and although that farm is on a beautiful setting, with a grove of trees and a creek running behind, we answered that

we liked the neighbors in South Dakota better. We weren't really speaking ill of the human neighbors in Iowa—the problem was the thousands of porcine neighbors that made living on that Iowa farm less than pleasant. Hog confinements were located less than a mile from the farm in every direction of the prevailing winds. The water table dropped after the confinements went in, which made the well water have an odor, and although the family has not yet tested the assumption, they think the value of the home probably dropped accordingly.

All over Iowa, those confinements pitted neighbors against one another. I also had the feeling that the high value of Iowa farmland sometimes brought out the worst in people; disputes over inherited farms were common. "There is a rent in the social fabric of rural Iowa," a farm mediator told me for a story I did in 2005. In 2003, one Iowa farmer had killed another in a fight over rented ground.

It's possible that similar problems were present in the Dakotas, but that as a young person growing up here I just wasn't aware of them.

I'm sure there were some. But I think that the problems weren't as fierce—in part, perhaps, because until recently the land wasn't worth nearly so much.

But times are changing. We can grow corn in areas where it could not be grown before. Land values are up. And I have to say I'm a little worried that in the shadow of these improvements, we might have more problems coming our way.

In my rural community, several farm families have been blessed with many sons (and some daughters) who might want to farm someday. If current trends continue, and if those children follow the "get big or get out" philosophy of farming, they will be competing with one another

“Our goal at Dakotafire is to speak up for the community interest.”

We want to hear from you!

*Do you have a response to something you've read here?
Do you have an idea for a future story? Share it with Dakotafire!*

*Go to dakotafire.net and click on "Contact Us,"
or write to Dakotafire Media, P.O. Box 603, Frederick, SD 57441.
You can also contact Editor Heidi Marttila-Losure directly at
heidi@dakotafire.net or 605-290-3335.*

someday at a land auction. No matter who wins the bidding, the community will likely lose; another potential young farmer will not be able to find a footing and head off to find his (or her) fortune elsewhere.

It's because of this worry in the back of my mind that I am especially encouraged to hear the stories of the families featured in this issue. The challenge, as sociologist Diane Bell Mayerfield wrote in a 2004 report, is to "grow smart rather than grow large." These Dakota families have devised various ways to do that. Their communities have benefitted from their efforts—but, perhaps surprisingly, they say they have benefitted just as much from what at the outset might have seemed to be a sacrifice.

That's the kind of thinking we at Dakotafire would like to encourage: Asking "how will this affect our community?" can lead to solutions that are just as effective, but that would have stayed outside of the decision-making process if no one had asked the question.

I welcome your thoughts or questions about Dakotafire's editorial perspective; contact me at Heidi@dakotafire.net. *

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THE DISAPPEARING MIDDLE

The mid-sized farms that once supported rural communities are fading away, but some farmers are finding ways to survive by hopping off the commodity ag bandwagon.

BY HEIDI MARTTILA-LOSURE



It's not difficult to see the dominant trendline in agriculture when nearly every view of the landscape provides evidence.

The tractors and planting rigs that were out in the fields this spring were double the size they were a generation ago; a farmer can cover hundreds of acres in a day. The rows of emerging corn, planted very accurately with GPS, stretch far into the distance. The majority of the farmsteads that housed the families that settled on the land in the late 1800s and early 1900s have long been vacant, and some are being cleared to give a few more acres of farmland.

Simply put, there are bigger farms, and fewer farmers.

The percentage of the workforce employed in agriculture in the United States declined from 22 percent to 2 percent from 1930 to 2002, and since then it's fallen still further, to something less than 1 percent. Through 2002, the trendlines of farm size and the number over farms over the last century neatly mirror one another: As the number

farms went down, the size of the average farm went up.

Another trend starting in 2007 is not as obvious in the rural Dakotas: Nationwide, the number of very small farms has also increased. Many of these farms are located closer to urban markets and do not support a family just on the farmwork; the people living there also have off-farm jobs elsewhere.

While the number of very large and very small farms increases, the middle-sized farms are disappearing rapidly. "These farms and enterprise of the middle have traditionally constituted the heart of American agriculture," according to a white paper by the Agriculture for the Middle Project, which was formed to raise awareness about the loss of these farms and to promote research to find solutions.

The larger farms tend to be vertically integrated, growing bulk commodities for vast supply chains, and the small farms have found a

niche selling their products directly to consumers. That leaves the mid-sized farms without an obvious role: "They are too small to compete in the highly consolidated commodity markets and too large and commoditized to sell in the direct markets," according to the Ag of the Middle white paper.

For the immediate future, the majority of farmland in the U.S. is managed by midsized farms, but Ag of the Middle founder Fred Kirschenmann predicts that it won't be that way for long. If the current trends continue, most of these farms will be gone in 10 years.

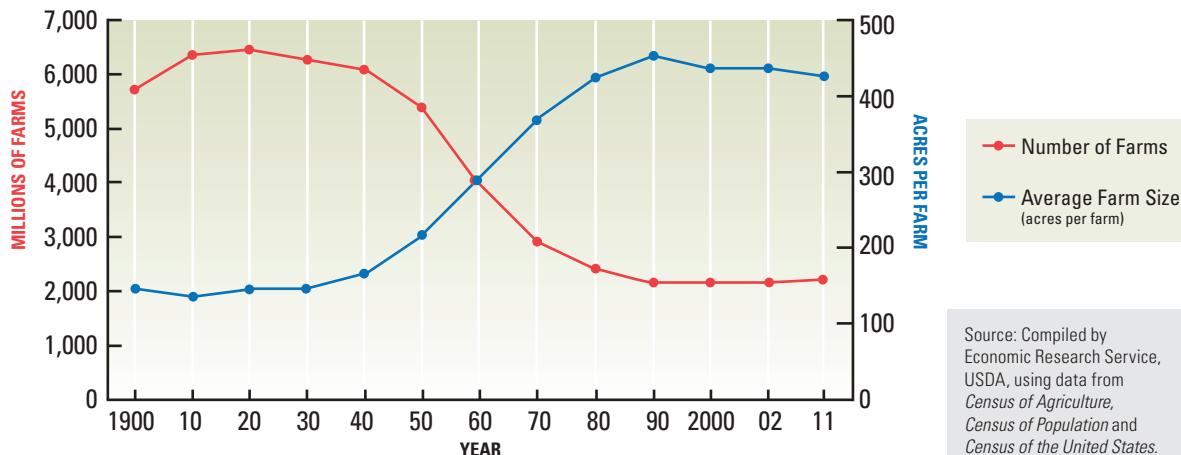
WHAT HAPPENS WHEN THE MIDDLE FALLS OUT?

Some have argued that losing mid-sized farms is not a problem. After all, American farmers are producing plenty of food—more than is needed domestically and, if distribution problems could be overcome, more than is needed globally. If food production can be done that much more efficiently now than it was in 1930, when 22 percent of the U.S. population was involved in farming, what's wrong with that?

If all that the nation wanted farmers to do was produce food, the U.S. would clearly be far down the road of progress. From the founding of the nation, however, farms have been viewed as more than food factories. Thomas Jefferson described small landholders as "the most precious part of a state" in 1785, and many of the nation's core agricultural policies have followed that lead.

It is because of the other benefits that mid-sized farms provide to society that the Agriculture of the Middle Project, as well as a variety of other groups, are trying to find ways to keep these farms viable. These advocates cite a number of reasons for keeping mid-sized farms at the heart of American agriculture.

As the Number of Farms Declined, Their Average Size Increased



MID-SIZED FARMS PROVIDE RURAL PEOPLE WITH A MEANINGFUL LIVELIHOOD AND WAY OF LIFE.

When fewer people are required to do the work as an industry changes with advancing technology, some people end up without a job. Changes in farming have been no different in their effect on the workforce. In the 1970s, Secretary of Agriculture Earl Butz saw fewer farmers as a necessary step in making U.S. agriculture dominant globally, famously telling farmers to “get big or get out.”

The problem with this strategy is that not all farmers could get big, even if they wanted to, and were then forced out of agriculture.

In other industries, displaced workers can hope for work nearby, but in rural areas, communities are built around agriculture. When there are fewer farmers, job opportunities in surrounding communities also decline. Finding employment can require a long commute or leaving a rural area altogether. While larger-scale agriculture does present some job opportunities, these jobs tend to be more like factory work, with lower rates of pay and more repetitive tasks: “About 45% of all hired farmworkers aged 25 years and older are low-wage earners who earn less than the poverty threshold for a family of four,” according to “A Report of the Pew Commission on Industrial Farm Animal Production.”

“The shrinking number of farms in rural America no longer represents people liberated from the drudgery of agricultural toil,” writes Diane Bell Mayfield, a professor at the UW-Madison Center for Integrated Ag Systems, in a 2004 report entitled “A Matter of Scale: Small Farms in the North Central Region.” “Instead it brings to mind families forced to leave the land and work they love.”



MID-SIZED FARMS GENERALLY MAKE DECISIONS BASED ON MORE THAN THE BOTTOM LINE.

Profit is an important factor in decisions for all business operations, including farms of all sizes, because survival is at stake: Without some profit, the business or farm cannot continue to operate. But smaller farms run by a family that lives on the land generally use other factors in their decision-making as well: They are not as likely to choose a way of farming that makes their own lives unpleasant or unhealthy, for example, and they are more likely to consider how decisions of today affect their ability to pass on the farm to the next generation in good condition.

Those factors don’t figure into the decision-making equation with large-scale agriculture, argue Jon D. Hanson and John R. Hendrickson, researchers from the USDA Ag Research Service in Mandan, N.D. “In the industrialization model, the predominant decision-making criterion has become the economic bottom line,” they write

in a 2009 paper called “Toward a Sustainable Agriculture.”

They list a variety of ecological, socioeconomic and health costs associated with the industrialization of agriculture, such as declining soil productivity, disparate farm incomes, and overuse of antibiotics in animal production. “Without a direct cost to the production system,” Hanson and Hendrickson write, “the industrial model does not view these changes in ag systems as problems.”

RURAL COMMUNITIES GET MORE ECONOMIC BENEFIT FROM MID-SIZED FARMS.

Large farms take advantage of economies of scale and buy what they need in massive quantities. For many of these purchases, they go to larger communities or directly to suppliers to negotiate better prices. In large-scale livestock operations, many of the inputs are part of the contract with the corporation, so there is not even an option of shopping in the local community.

Small and mid-sized farms, on the other hand, are more likely to spend money in their local communities. “Farms with a gross income of \$100,000 made nearly 95% of their expenditures locally,” according to the Pew Commission report. On the other hand, farms with gross incomes higher than \$900,000 spent less than 20% locally.

When money is spent locally, it has a multiplier effect—a dollar spent at the local elevator or hardware store is more likely to be spent again at the grocery store or restaurant. In vertically integrated farming systems, those dollars go to shareholders who likely do not reside in the rural farming communities. The money leaves and does not return.

THE SOCIAL FABRIC OF RURAL COMMUNITIES IS STRONGER WHEN FARMS ARE SMALLER.

Since the economic ties of the community are not as strong when farms are larger, it is not really a surprise that the social ties in the community weaken with larger farm size as well. Large-scale farmers are in a constant competition with one another for more land, which can reduce neighborliness, and when farmers don’t shop locally anymore, their relationships to the small towns near their operations wither. Quite often, farmers expand into communities where they have had no historic social ties, and there is no incentive to build any.

“Everyone who has done careful research on farm size, residency of agricultural landowners and social conditions in the rural community finds the same relationship: as farm size and absentee ownership increase, social conditions in the community deteriorate,” according to sociologist Dean McConnell.

The social capital in rural communities, or the “glue” of trust and interdependence that keeps communities connected, declines. “Numerous studies have shown lower quality of life, greater

poverty and crime, lack of social services, and lowered civic participation in communities dominated by fewer larger farms as opposed to numerous small farms,” according to the Pew Commission report.

SMALLER FARMERS TEND TO BE BETTER STEWARDS OF THE LAND.

Wes Jackson, the founder of The Land Institute in Salina, Kans., calls for a better ratio of eyes to acres, as eyes tend to take better care of the acres they survey when there aren’t as many acres to look at.

In the book *Ecological Literacy*, ecologist David Orr describes it this way:

The ecological knowledge and level of attention necessary to good farming limits the size of farms. Beyond that limit, the “eyes to acres” ratio is insufficient for land husbandry. At some larger scale it becomes harder to detect subtle differences in soil types, changes in plant communities and wildlife habitat, and variations in topography and microclimate. The memory of past events like floods and droughts fades. As scale increases, the farmer becomes a manager who must simplify complexity and homogenize differences in order to control.

Jim Kopriva, a rancher near Raymond, explains that just being on the land increases the likelihood that a farmer will take better care of the land, because if there is a problem, he or she will eventually get tired of looking at it and take steps to fix it. (*Read about the Kopriva family on page 10.*)

SMALL AND MID-SIZED FARMS ARE MORE LIKELY TO PRESERVE BIODIVERSITY.

Since specialization is part of the way that larger farms become more efficient, larger farms produce a smaller variety of crops or livestock. Corn and

soybeans are predominant in the fields of the Midwest; in livestock production, just a few breeds make up the vast majority of animals raised.

In the Dakotas, vertical integration in industries located elsewhere, such as dairy or hogs, has led to a lack of diversity here. Farms that once had chickens, milk cows, hogs, horses, goats, and sheep, and that raised a variety of crops in part to support those animals, no longer have good ways to make these smaller-scale endeavors profitable. The Dakotas still have one industry that still involves keeping animals on a relatively small scale: Cow-calf operations. Unlike hogs and chickens, beef cattle are not typically owned or controlled by the processor from birth to finish. It is more cost effective to calve on pasture, and because processors are not in control of most pasture land, the Dakotas are able to retain that piece of diversity in the landscape.

Maintaining biodiversity is like a broad-based insurance policy: If something goes wrong in one sector, there is likely to be something in another branch that can compensate for it, or help to solve the problem. “Many ecologists now believe that richly diverse ecosystems are more resilient and better able to recover from such stresses as drought or human-induced habitat destruction than less diverse systems,” according to Vicky Cullen of the Woods Hole Oceanographic Institution. Without that insurance policy, the whole system faces a higher risk of significant failures under stress.

These potential crop failures have real economic costs, so maintaining biodiversity “insurance” can also be a shrewd business decision.

SMALL AND MID-SIZED FARMERS PRESERVE WISDOM OF SPECIFIC PLACES.

Years ago, when a farmer passed on his farm to his son (and most of the time it was a son), the transfer typically happened after a period of years

working together, and knowledge of the place and its history was transferred along with the land. That knowledge served as a base for ingenuity and creative problem-solving, and the son built on that knowledge and passed on an even richer store of it to the next generation.

When land is farmed on a large scale, that intimate knowledge of a place does not transfer to farm operators. Management decisions are made for all of the land under the farm's control, and little knowledge of specific places is needed.

There are other facets to this problem.

Sometimes, when a farmer wants to pass on the farm to the next generation, the next generation does not want to farm. On the other side of the coin, the high cost of land and equipment makes it difficult for potential young farmers to get started.

Kathleen Merrigan, the U.S. Deputy Secretary of Agriculture, sees this shortage of farmers as a national epidemic. She has traveled to many colleges and universities this spring trying to recruit more people into agriculture, as she says currently there are not enough people coming in to agriculture to replace those who are leaving it.

"If we do not repopulate our working lands, I don't know where to begin to talk about our woes," she said in Albuquerque, N.M., in April.

CHALLENGING TIMES ALSO BRING A NEW OPPORTUNITY.

Even if all these benefits may be lost with the disappearance of mid-sized farms, is there any point in trying to stop the trend? It has, after all, had the same trajectory for more than 80 years.

"(I)t is critical to understand that preserving small (and mid-sized) farms is not a lost cause," Diane Bell Mayfield of UW-Madison argues.

"Rather it is a question of determination and national priorities."

This reprioritization doesn't have to come from the government (though revisions of farm bill provisions could help). In fact, a new strategy has already started in a strong way with consumer demand. Small farms have found a market for a variety of products such as fruit, vegetables, wine, flowers and wood products among consumers who are interested in the story behind the products they buy. Farmers are now selling \$5 billion in local food annually, according to the USDA.

This demand is now reaching buyers that would need to purchase in greater quantities than the average consumer, such as restaurants, caterers, or food service for hospitals. *The Ag of the Middle* white paper describes it this way:

(A) new market climate is emerging that will change the way we produce what we eat. The new market climate, especially where food is concerned, consists of three distinct elements. Rick Schnieders, (retired) President and CEO of the SYSCO Corporation (a food-service distributor to restaurants, hospitals and other institutions), describes them as "memory, romance and trust." These are the attributes that an increasing number of food-conscious consumers are seeking. They want high-quality food, produced with farming practices they want to support and brought to them through a value chain they can trust. All of these attributes can be supplied readily and in sufficient quantity by the farmers and entrepreneurs who occupy the "middle."

The paper goes on to argue that neither small farms nor large farms are as well-positioned to meet the demand as mid-sized ones: Small farms lack the capacity, and large farms lack the flexibility.

Part of that value chain of trust is having a relationship with the person behind the product. Farmers markets have boomed in recent years in part because they give consumers an opportunity

to connect with the person who grew their food. Chipotle Mexican Grill is an example of a company that is doing all it can to tell the story of the food it serves to its customers, even listing on its website the names and locations of some of the farmers that raise their pork, chicken and beef and describing their farming practices.

The demand for these specialty agricultural products is already there. Mid-sized farmers likely can adapt to producing for it, but they may need some assistance to do so—from the extension system or farm organizations, for example. The challenge is connecting farmers to those markets in a way that is straightforward for the farmer and yet keeps intact the integrity of the product that is valued by the consumer. This is what the Agriculture of the Middle Project is now focused on: spreading the word about how to create these connections, which they describe as values-based food supply chains.

Two examples of this kind of values chain are Organic Valley, a cooperative of more than 1,300 farms that sells dairy products, and Shepherd's Grain, a group of Washington family farmers that sells high quality flours to specialty bakers and restaurants. According to Kirschenmann, who has connected with them through the Ag of the Middle Project, both of them have seen progress in an important statistic: The average age of their farmers is lower than when their organizations started.

This isn't the only viable path, as several local farmers can attest. The Podolls in Fullerton, N.D., and the Johnsons in Madison, S.D., have found ways to make the connection to specialty markets on their own. Their stories follow.

For traditional commodity agriculture, the trendline is likely to continue toward larger farms. It's up to the mid-sized producers that are left whether they want to continue to ride that escalator, hoping they aren't one of the farmers pushed off the side, or if they want to try a journey down a different path. *



Farming Smarter, Not Larger

IMPROVING CATTLE GENETICS
AND GOOD CARE OF THE
LAND ARE KOPRIVA'S
STRATEGIES FOR SUCCESS

BY HEIDI MARTTILA-LOSURE
REPORTING BY BILL KRIKAC,
CLARK COUNTY COURIER

At lunchtime most days, Jim Kopriva and his 25-year-old son, Lee, come in after the morning's work is done on their farm near Raymond and put together a meal, either from leftovers or with some fast cooking. They say grace and eat together, do the dishes (Jim's wife, Karen, who works off the farm, has trained them well on that), take a little rest and then hit it hard until supper.

The partnership works well for them.

"Two guys working together can get more done than three guys by themselves," Jim said.

The Koprivas raise registered and commercial Angus cattle on about 1,200 acres of native grassland, seeded pastures and hayland. Jim and Lee each have their own operations but share

Jim Kopriva and his son, Lee, on their farm near Raymond, S.D., where they raise registered and commercial Angus cattle.

Photos by Troy McQuillen

labor and equipment, which lowers costs for both of them. The arrangement also gives them a level of freedom that is tough to come by when working with livestock.

"Livestock ties you down, and you can't leave," Jim says. "You can't really be gone for a week, even if there isn't any work to do. You have to make sure the gates are up, that water is adequate. With Lee home I can be gone for a week or two. He doesn't need to call me and ask me what to do. And the same goes for Lee (if he wants to travel)."

If livestock places some limits on their lives, it also gives them an opportunity that crop farming does not. Compared with investing a tractor, which declines in value every year, an investment in a cattle herd can gain in value over the years—particularly how the Koprivas do it, by intentionally improving their cattle's genetics year over year. By retaining ownership of their steers throughout their lives and keeping track of many statistics of their cattle when they are processed, they are able to relay that information to their customers.

"We try to capture the money for improving

the genetics," Lee explained. "We get a premium for the products we are producing."

The Koprivas also focus on managing their land well, and that work in conservation was recently recognized with the Leopold Conservation Award, given by the South Dakota Cattlemen's Association, South Dakota Grassland Coalition and the Wisconsin-based Sand County Foundation.

"The Koprivas have made conservation a family tradition, and their grassland, water and wildlife habitat management techniques are a clear demonstration that responsible environmental management and successful agricultural operations can readily co-exist," Gov. Dennis Daugaard wrote in an article published in the Cattlemen's Weekly magazine.

One of the management practices that earned them this honor was rotational grazing, which they have done since 1984. Jim explained that with good management, grazing can actually make the pasture better.

"You can improve it by using it," Jim said. "With grazing, the trample action renovates the sod. You get them thick enough in there and they'll reseed it."

Another tool the Koprivas use is fire, which can help with weed management. "You can do things to grass with fire that you can't do with chemicals or fertilizer," Jim said.

Whenever they make a decision, they try to take other factors besides profit, such as the community's needs, into account. For example, they strategically leave a strip of native grass near township roads unmowed or ungrazed in the fall so that it can catch snow in the pasture or hayfield, where it can do some good, and keep it off township roads, where it requires much effort and a great deal of money to remove.

Since the first snow generally falls before the ground is frozen, the ground under that snow-insulated native grass strip does not freeze, and so in the spring when the snow starts to melt, the ground can absorb the moisture. Where the

snow melts on frozen ground it is more likely to run off and cause flooding elsewhere—and preventing this flooding provides another benefit to the community from this one relatively simple management practice.

Jim has seen the way changes in agriculture have affected their own township. He can recount the story, told to him by the men who grew up here a generation before him, of a time when a carriage left from their farmyard and picked up 13 children on the way to school in town. "It's been a long time since there were any kids between here and town," Jim said, although he's pleased to report that situation has just changed, as Lee's first cousin just moved in nearby with his three children.

The big farm operators can have a much smaller profit margin per acre because they are working with so many more acres, which makes it much harder for smaller-scale farmers, who need a higher cost per acre, to compete for land.

Jim knows how difficult it can be for a young person to get started in farming in this environment. Lee was fortunate to be able to find some additional pasture land when he came back to the farm, but not all landlords are willing—or perhaps able—to make concessions for the sake of having a local renter. Instead, some rent to what Jim calls a "foreign interest"—referring not to someone from out of the country, but someone out of the township.

"We have people from 250 miles away coming up here for pasture," Lee said.

These "foreign interests" will not be around to help clear the roads in the winter, and they won't be nearby if an elderly neighbor falls and needs help, Jim said. They also may not care for the land as well simply because they don't have to look at it.

"If you are living on (the land), and you are feeling shameful about something out there, eventually you are going to go pick up that rock because you are tired of looking at it," Jim said. "If you go home to Sioux Falls, you're not going to see that rock until next year. You're not going to fix that fence. You're not going to graze it moderately or and improve it or spray the weeds, because after all, you are paying extreme top dollar for it. You have 'the right to abuse it.' I think that's their feeling. They'll pay quite a little more, and they'll take more than the land can give, because they know when they are done with it they'll go rent somewhere else."

At a time when many acres are being converted from pasture to cropland, Jim is happy when he sees that livestock is still in the picture for an operation.

One reason for this is that "livestock means young people," Jim said, explaining that row-crop farming has become much less physically demanding, but that raising livestock still requires strength and stamina.

For his part, Lee is happy to be working with cattle. From the time he was 4 he knew this was what he wanted to do, and by the time he graduated from South Dakota State University in 2009, he had his own cattle herd already. Having a connection with that livestock is part of the reason he enjoys his work.

"You can look at a cow and know there is something wrong by looking at her—know if she's not feeling well, or the calf's not feeling well," Lee explained.

With that connection to livestock and the land, Lee is now the fifth generation of his family involved in farming. As he looks to the future, he hopes to be able to pass on the tradition to another generation. *

“Two guys working together can get more done than three guys by themselves.”

Garden is the Heart of the Farm For the Podolls

Excerpted from the book
Deeply Rooted: Unconventional Farmers in the Age of Agribusiness
BY LISA M. HAMILTON
Counterpoint Press, 2009

Editor's Note: Over the course of two years, author Lisa M. Hamilton spent many days with the Podolls, learning about their farming philosophy. Family members still living on the farm are David and his wife, Ginger; David's brother, Dan, and Dan's wife, Theresa; and Dan and Theresa's son, Neil.

For the Podolls, the farm's first priority is to feed the five people living on it.

"The idea is simple," David explains. "We live on a farm, so why not grow our own food? It seems so illogical to grow a bulk commodity, send it out, then go to the grocery store and buy everything we need to eat."

This is a primary reason why their farm plan runs perfectly counter to those of their neighbors. Rather than continually grow, they have designed the business so that the farm can stay small. If it got too big, they wouldn't have time for the garden. They've seen it happen to more or less every farm around: The husband focuses only on cash crops and the garden is left to the wife. In time the wife is needed elsewhere, whether hauling grain, going to town for parts, or taking a job to help pay the bills. Inevitably, the garden is abandoned and the job of feeding the family is outsourced to the people at Super-Value Grocery in LaMoure.

Here, though, the garden is the root of the farm.

I was first introduced to the Podoll's garden on a snowy winter day, while eating lunch at Dan and Theresa's house. David was there and our meal lasted for hours, the three telling me how the garden is the hub of their farm and about all the things that radiate out from it.

At some point in the conversation I admitted that my gut response to their emphasis on gardening was the same as, I guessed, many Americans' would be: that gardening is nice, but it feels dramatically less important than farming—less legitimate. David looked at me solemnly in response. "Gardening," he said, "has taught me how to farm."

The garden allows for intimacy, he explained. "In there you're close-up. You crawl around on your hands and knees, picking weeds, and you see things, little things, and you smell things. All your senses are used. Being a careful observer like that gives you a better sense of where to plant what, how to rotate things. With that level of awareness you have an infinite ability to finesse the production of your food."

The garden is the gold standard against which everything on the farm is measured. For instance soil. In the garden it is light, rich, and moist, and never feels weight greater than what's borne by a pair of boot heels. When David rides some big piece of equipment into the fields, scrutinizing it as he goes, he compares that ground to the garden. "Because of the garden I know what the best soil looks like, feels like, smells like. As long as I'm sitting on a tractor it will never meet that standard, but the standard is always present in my mind. It's something I'll always strive for, even agonize for." *

SEED COMPANY HAS ROOTS IN GARDEN PHILOSOPHY

BY HEIDI MARTTILA-LOSURE

The Podoll family's garden became the basis for another enterprise, in addition to the organic grains they grow. In 1996, they started growing vegetable seeds for a company in Montana. It was a natural outgrowth of the seed selection they had done for their own use: Saving the seeds of the plants with the most desirable traits.

In the past two years, the Podolls have started marketing their own seeds under the Prairie Road Organic Seed name. Theresa explains that part of their goal is to produce seeds that are relevant to the region in which they are developed. Expanding the market for these seeds will take some education of the consumer, Theresa says.

"There is a difference in seed in where it's produced and how well it performs," Theresa said. "There are people who get it automatically, and others who say, 'I buy from Burpee.' ... (But there is) a growing awareness. People who understand the importance of local food are going to understand the importance of local seed."

Dan and Theresa hope that they may eventually be able to have all three of their children involved in the farm.

Neil, 15, has started his own garlic business, selling much of it online. This represents a new parenting strategy for Dan and Theresa—their older two children were involved on the farm but they did not have an endeavor to call their own. "The idea is to help him have a college fund when he gets through high school—let him experience the value of starting an enterprise, and putting in the work, and watching it grow," Theresa said.

Their older son, Nic, 26, just moved back to the area. While his wife works as a registered nurse,

David, Theresa and Dan Podoll pause during a busy workday on their farm near Fullerton, N.D.
Photo by Lisa M. Hamilton



Nic is caring for their young son, and around that schedule he is also working on the farm.

Theresa said it is working well that he is part-time for now, as it gives them all time to figure out how best to incorporate him. Ideally, she said, this will give them an opportunity to bring livestock back to their farm.

Their daughter, Erin, 24, is a stay-at-home mom in Oregon, but as their seed business expands, they hope to be able to bring her into the operation as well, doing social media and order fulfillment.

The Podolls are definitely doing things differently from their neighbors. Do they view this different path as a sacrifice?

"The farm is able to supply all of our needs, but not all of our wants," Theresa said. "The American Dream is to have more, to keep up

with the Joneses. We've made a choice not to play that game... it's very much a lifestyle choice. Sometimes you look at those choices and go, wow, do we make the right choices? So we are daily renewing the choices."

The seed business shows the reasons for that choice.

"I can't think of another farming enterprise where you get to witness the prospering of the work of your hands," Theresa said. "Holding the seed in your hand, knowing how much food it will provide... I can't think of anything more fulfilling than that. The lifestyle choices, living within your means, are certainly a challenge. But I'd never trade." *

For more information about Prairie Road Organic Seed, go to www.prairieroadorganic.com

JOHNSON FAMILY BRINGS IN THE NEXT GENERATION TO THEIR ORGANIC FARM

Adapted, with permission, from information published on the North Central Sustainable Agriculture Research and Education website (www.sare.org)

ADDITIONAL REPORTING BY BECKY FROEHLICH

Brothers Charlie and Allen Johnson inherited a legacy of organic farming: Their father had jumped into organic agriculture with both feet in 1976, long before any sort of organic industry existed.

"My dad was always of the strong belief that if he couldn't put it on the tip of his tongue, it wasn't going to go on his land either," Charlie said in the book *The New American Farmer*, published by Sustainable Agriculture and Research Education in 2005. "That was his litmus test, literally, as to what was going to be used on the farm. He really had a strong belief that conventional fertilizers and chemicals were harming the soil and the life that was in the soil."

Farming organically, as the Johnsons do on their 2,800-acre operation south of Madison, S.D., provides a variety of benefits to the land, the food system, and the broader community, Charlie said—but it also has its challenges.

"You really get no time off farming organically," Charlie said in a recent interview. "Our crops also become time-consuming. For example, right now we're growing oats, and we'll be harvesting those in late July when most farmers aren't worried about harvesting. Weed control is the biggest challenge. It takes much longer without chemicals."



Aaron Johnson and his cousin, Charlie Johnson, work together on Johnson Farms near Madison, S.D.
Photo by Becky Froehlich



Takes longer—and requires more labor. That's why, when they were approached with an opportunity to farm some more land nearby recently, they asked their younger cousin, Aaron, who was working selling seed and agricultural products, if he was interested in coming back to the family farm.

This excerpt from an article published on the SARE website explains what happened next:

"I took a few months to consider it," Aaron said, "and I came to the conclusion that it was a no-brainer. It's a rare opportunity to be asked to come back to the family farm, and farming is something I have always felt called to do. After thinking about it, all signs pointed to yes."

As he made the transition back to the farm

Aaron looked for ways to prepare to join the farm operation. That's when he found out about Farm Beginnings (a program administered by Dakota Rural Action). Aaron and his new wife, Kirstin, enrolled in the Farm Beginnings course hoping to gain skills in financial management, record keeping, and general farm management. They attended the twice-a-month classes, taking in sessions like Whole Farm Planning, Financial Planning, Marketing, and Business Planning and Connecting with Resources. They were able to connect with other beginning farmers who were just starting out as well.

Charlie even became involved the class, serving as a presenter for the Business Planning session.

Aaron says that having farmers lead the classes was invaluable. "Being able to hear firsthand

from the experiences of established farmers was incredible," Aaron said. "My favorite part was being able to learn about how they first started out, their thought process, their failures, and them being able to see the light at the end of the tunnel. They struggled through and forged ahead."

Aaron believes taking the Farm Beginnings class is well worth the money. "It's an eye-opening experience that really prepares you for farm management," he said. "It's also a really cheap lesson if you learn that farming isn't for you."

Aaron and Kirstin graduated from the class in August 2011. Aaron is now being brought into the operation as a farm partner with a 10-20 percent share. This makes him more likely to receive a favorable loan if he needs one, as having a percentage of ownership in the farm makes him less of a financial risk.

Aaron's role in the operation is clear to Charlie: "He provides the major labor source," Charlie said with a laugh. His background in ag products also comes in useful as they explore new technology.

Other family members are also involved in the operation, including another brother who serves as a mechanic.

"When you think about it, we support three families off of this farm, when it's so much smaller than non-organic farms that don't feed that many," Aaron said. "I have a good life here, we all do, and this is a great thing to do."

He's happy to be stepping into the Johnson Farms' legacy.

"I would like to see (Johnson Farms) hit 100 years in organic production," Aaron said in the Farm Beginnings article. "I'd like to raise the next generation of family farmers at Johnson Farms." *

Find links to the full www.sare.org articles mentioned here by going to this story on Dakotafire.net. The Farm Beginnings course is accepting new applications through September 28. For more information, go to www.dakotarural.org/grow/farmbeginnings.

BUCKING THE TREND

Day County farmers find niche, others make do with less

BY GEORGE THOMPSON, REPORTER & FARMER

The trend in agriculture is that farms are getting bigger and fewer and those who operate them are getting older. There are some younger farmers out there, however, who are surviving this trend by adapting their ways.

RONNIE JOHNSON: Balancing Work on the Farm With Employment Elsewhere

Grenville farmer Lonnie Johnson has been a small grain, row crop and cattle farmer for the last 31 years and over that time he's also worked outside jobs as a crop adjustor and school bus driver for 28 years.

Johnson estimates his income from both sources is about equal. He was always interested in being a farmer, he said. His farm has been in the family for more than 120 years.

Johnson says he's been satisfied with working off the farm and probably wouldn't consider expanding his farming operation unless one of his four sons was interested in becoming a full-time farmer. "I would have done it (expand) years ago, if I wanted to get bigger," he said.

TODD VANDER LINDEN: Turning a Part-Time Farm Into a Full-Time Operation

Todd Vander Linden breaks the mold when it comes to the belief that farmers have to grow up on farms. "Ours is a family of teachers, car dealers, businessmen and lawyers," he said. After graduating from high school Vander Linden served in the U.S. Navy and was attending the University of South Dakota when he got the call to come home.

"My grandfather owned an auto dealership, and he often took cattle in trade as partial payment for a vehicle," Vander Linden explained. "It got to a point where he bought 80 acres north of town to keep them. He had a hired man, but my mom and dad spent time out there, and we just kept adding on."

Vander Linden made the move to farming when he had a chance to farm a couple hundred acres in addition to taking over at the farm. Today he farms and raises 600-800 select Black Angus bred heifer replacements, which are sold to buyers around the country.

"I learned how to farm with advice from neighbors, my own research and consultants," he said. "I've made some mistakes along the way, but I'm trying to do it right. (Farming is) a tough business and you have to take some risks along the way."

Vander Linden, the father of two girls, says it's his intent to keep the farm in the family.



DAN GISSELBECK: Earning a Living Through Niche Markets

Dan Gisselbeck began farming with his dad near Arlington and eventually moved to Day County and bought his wife Marcia's parents' farm.

Gisselbeck started as a traditional farmer but eventually decided he had to find a niche market if he wanted to stay in agriculture.

Four years ago, that niche became organic beef. "I knew that consumers want to know where their meat comes from and that it doesn't contain a lot of undesirable additives," he said.

Gisselbeck's enterprise had a temporary setback when his wife was diagnosed with cancer, but now he's back on track pursuing his dream.

Gisselbeck has also ventured into another niche market when he started to grow non-genetically modified soybeans, which he sells to a distributor in St. Peter, Minn., who in turn cleans and processes them for export.

When he's not busy with all of those activities Gisselbeck also manages to put in a full shift at a local ethanol plant. Without finding these markets, Dan admits he probably wouldn't have stayed in farming. "It's awfully tough for us young guys to compete with the big boys," he concluded.

BOB WHITMYRE: Enjoying a Second Career Back on the Family Farm

When Bob Whitmyre graduated from high school in 1981 his plan was to take over the family farm south of Webster from his dad Maynard, but a tough economy dashed that dream. Whitmyre went to college, got an engineering degree and worked two years in Owatonna, Minn.

In 1995 Whitmyre returned home to take over the farm, and in 1998 he purchased some acres of his own and kept working full time as a purchasing agent for a Watertown manufacturer.

Today Whitmyre takes a diligent approach to farming as he raises cattle, corn and soybeans. He says he's unlikely to expand his farming operation.

"When I started, 1980-85 were tough years, especially for young guys like me who were starting out," he said.

Whitmyre hopes to pass this 120-year-old farm down to his three children, although he isn't sure whether any of them will be farmers. Bob said this year was the first time his on-farm income exceeded his off-farm revenue.

"I enjoy all aspects of farming," he concluded. "I like to get outside to do those things. It's just a great way to end a day."

LEO WARRINGTON: Growing Seed For Specialty Markets

Leo Warrington grew up on the family farm his dad purchased in the 1940s. He took over the operation and later made the decision to get into the seed business.

Today, Warrington's two sons run the farm while he directs the seed business.

A family that once was made up of traditional farmers went through a transition seven or eight years ago and is now almost entirely geared toward niche markets. They've been able to add value to their commodities.

"There's been a lot of this going on in North Dakota, but here in South Dakota we've lagged behind," Warrington said. "We're working with a North Dakota company who does the processing and shipping. Their clients want to know where their exports come from, and that they haven't been tampered with before reaching their final destination."

The soybeans are shipped in sealed containers for quality assurance and crushed food products. The Warrings gradually ramped up their GMO soybean operation to a point where they're also doing seed test plots and are even looking at getting into GMO wheat.

"It's worked well," Warrington concluded. "They pay a nice premium, but we do have higher production costs. This is something that the big boys probably aren't interested in."

Their focus on specialty markets has allowed his two sons to stay in the business without substantially expanding their acreage. *

Planting Prairie for Profit

Researchers establish a working farm growing native grass near Brookings, S.D.

BY PETE CARRELS

Don't look for corn and soybeans at EcoSun Prairie Farm.

On a sizeable piece of productive Midwestern farmland between Sioux Falls and Brookings, S.D., a small group of agricultural pioneers are growing diverse mixtures of indigenous, perennial grasses. They have two motivations: create and manage a farm that balances economic returns with meaningful environmental protections, and demonstrate that a farmer can make a living marketing products emanating from native grasses grown on premium land previously devoted to churning out industrial grains.

After four years, the restored tallgrass prairie on this 640-acre demonstration project prospers, and an adventurous notion to profitably operate such a farm might be proving out.

The need to preserve disappearing tallgrass prairie, which once stretched from Canada to Texas and from the Dakotas to Ohio, gives impetus to the project.

"We've lost 99.5 percent of the tallgrass prairie," explained Dr. Carter Johnson, a researcher and professor at South Dakota State University, and the leader of EcoSun farm. "We've also lost the benefits to society of an ecosystem that sustained many generations of humans. Indigenous grasses and flowers not only provide sustenance, but the processes associated with tallgrass prairies help build soils

and protect water resources. Without functioning prairie, healthy land and water resources are compromised."

Typically, tallgrass prairie survives or is restored on marginal lands or in small parcels. Places like the fields at EcoSun farm are typically off-limits to prairie restoration because the most fertile lands are typically used to grow corn or soybeans.

"This isn't a nature preserve," emphasized Johnson, as we hiked the prairie farm. "This is a working farm with an on-site manager that grows grass instead of corn or soybeans. We want to prove that a farmer can make a decent living by growing native grass."

The biggest challenges to demonstrating the viability of EcoSun farm, said Johnson, relate to public perception and economic issues.

"Many people," he explained, "believe that land left in grass is land not used to its fullest. Of course, we believe such a viewpoint needs to change. Just as important, we're hoping to prove that a farmer can make a living with grass, and that a farmer doesn't need easements, CRP or price supports. We've also learned that a farmer must be very entrepreneurial to make a grass farm work financially. You have to have multiple income streams, just like traditional farms had."

Those income streams include the sale of native plant seed, native grass hay, and grass-finished beef. Energy production also looms as a potential market, though it is currently at the pilot plant



Carter Johnson and Arvid Boe, both professors at South Dakota State University, stand among the perennial, native grasses growing at EcoSun Prairie Farm, located south of Brookings. Johnson and Boe are among the team of scientists that founded EcoSun Prairie Farm in 2008, and both continue to oversee research and operations at this agricultural demonstration project.

stage. Johnson expects this market will contribute to EcoSun's income stream in the near future.

As EcoSun operates during its fifth year, Johnson and his colleagues remain openly optimistic. Prices for grass-based products have been excellent, prairie plant growth on the farm is robust, and the reward of contributing to environmental protection adds great satisfaction for the team overseeing the farm and the research happening there.

This style of farming, Johnson emphasized, is based on cooperating with and contributing to natural conditions, rather than subduing or depleting them. "We are seeking a balance between earning profits and sustaining resources, and on EcoSun farm pursuit of both of these important objectives has been successful." *

See a longer version of this story, including a description of EcoSun's marketing avenues, at www.dakotafire.net. To learn more, visit the EcoSun Prairie Farm website at www.ecosunprairiefarms.org. A film about the project is available for order at the website, and presentations to groups about the farm can be arranged.



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Employing a Family Member in Your Business

At some point, almost every small business owner considers hiring a spouse or child in the business. Their availability, flexibility and familiarity can make them attractive employees. There may even be some tax advantages. However, there can also be disadvantages to these types of arrangements.

Income tax issues

The wages you pay an employee for work performed, whether that employee is a relative or not, are a tax-deductible expense of your business. If that family member is in a lower marginal income tax bracket, this type of income shifting can reduce the family unit's total income tax liability.

If you hire and pay a child, the child can use their standard deduction to offset up to \$5,950 (for 2012) of earned income. In addition, earned income above that amount will be subject to income tax at the normal brackets (starting at 10%). You should note that this type of arrangement can be attractive if the child is under the age of 18, 18 years old with earned income less than half of their support, or 19 to 23 year old students with earned income of less than half of their support. For young children, earned income is not subject to the "Kiddie Tax" like unearned income consisting of interest and dividends.

Using an IRA or a Roth IRA

Once an individual has earned income, he or she can contribute to an Individual Retirement Account. Under the 2001 Tax Law, a wage earner can contribute up to \$5000 to an IRA. Hiring and paying a child can enable the child to get an early start on their retirement. A few years' contributions at an early age can grow dramatically over a long time. In addition, if the child contributes to a regular IRA, the contributions will probably be tax deductible because of their overall low-income level.

It may also be attractive to use a Roth IRA. While the contributions would not be deductible, the ultimate distributions would not be subject to income tax. Forgoing the immediate tax deduction of a regular IRA can be more than enough to offset the loss of the deduction if the funds are going to remain in the account for a long period or if the tax savings from a regular IRA deduction are relatively small. In the case of a low-income child, a Roth IRA may be more attractive on both points. The money will compound tax deferred for a long time and the savings from the potential deduction is small because of the child's low tax rate.

Payroll taxes

If your business is a corporation, the wages you pay a child or any other relative will be subject to Social Security tax - both at the individual and corporate level. For a spouse, this can be a way to build up the potential Social Security benefits the spouse may eventually be able to receive.

If your business is a sole proprietorship or partnership, the wages you pay a child under the age of 18 are not subject to Social Security taxes. You may also be able to avoid Federal Unemployment taxes for a child under the age of 21.

Other issues

If your business has other employees, you must consider how they will react if you hire a relative. Nepotism can often cause resentment. Avoid this by having the working relative be subject to the same requirements and expectations as any other employee.

Many parental employers are also sensitive to the issue of having their children not viewing a family business job as an entitlement. It is always good to discuss expectations and to have normal feedback on job performance.

Summary

Employing a spouse, child or parent can offer some tax and other benefits if the role is a true working role and the compensation is reasonable. It may be advisable to consult with your tax advisor before embarking on this approach. A family business can be a source of wealth and personal satisfaction. Be sure to have the type of open and honest communications needed with any employer/employee relationship.

Business Insurance

Every business needs to consider several types of insurance depending on the nature of the business. You may want to consider working with an insurance professional to make sure you have the right types of policies to provide the coverage you need.

Health insurance

Many businesses provide health insurance as part of their overall employee benefit program. The cost of health insurance continues to rise and you may want to consider having employees pay some part of the cost. If you have a small business with only a few employees, you may want to consider a group plan to cover employees and your family. By being

part of a group and having employees pay part of their costs, you may find it is not much more expensive than getting personal health coverage. You may also be able to improve your coverage in this way.

Property insurance

Just about every business should have insurance to cover the loss or damage to property, inventory or equipment. Premiums vary according to the type of property, coverage limits and what you insure against. If you have electronic equipment (such as computers), be sure to investigate how your policy works in case of damage to the files (power outages or surges) as well as damage to actual equipment. Backing up files and storing them in a secure, off-premises location is very advisable as well.

Business interruption insurance

You may want to investigate insurance that would provide benefits if you were no longer able to conduct business in your usual fashion. These policies vary greatly in cost depending on what is covered. However, you may want to consider what would happen if you could not occupy your location in case of disaster.

Liability insurance

This insurance can cover damages you pay as a result of your actions or negligence, or if someone is injured while at your business. Everyone has heard of the large damage awards being made when a customer slips and falls because the business did not melt the ice in front of the door. Be sure

to discuss this type of coverage with a qualified insurance professional to make sure you are adequately covered. The trend toward large jury awards it appears to continue.

Workers' compensation insurance

This insurance provides coverage for medical and related costs for accidental injuries suffered by employees at your workplace. The amount of coverage required varies by state.

Auto insurance

If you use an auto, even if it is your personal one, you may be required to have a commercial auto insurance policy. If you are a sole proprietor and use your car, be sure to discuss this with your auto insurance provider.

Umbrella insurance

The usual cost of umbrella insurance is low. This coverage fills in the gaps of your other policies or provides additional coverage once the original policy limits are exceeded. This can be extremely valuable in case of large losses. Many companies offer these policies and you may find that one of your professional organizations has a relationship with an issuer that will keep your cost low.

Summary

Most businesses need more than one type of insurance coverage. Spending some time considering what is needed and how the policies can be structured for your business is a good use of time and effort. Managing and growing a business is hard enough without having to worry about not being covered if unforeseen events occur.

Having a Disaster Recovery Plan

The tragic events of September 11, 2001 have prompted many organizations to review their plans for handling many types of emergencies. Being prepared for any type of natural or man-made disaster makes good business sense. Here are some ideas to consider for handling an emergency that make good common sense.

Important Files

- Store a copy of all computer operating system and important files off site.
- Back up critical data on a regular basis and rotate storage disks (floppies, CDs, tapes) to an off site location.
- Be sure to keep a list of computer passwords securely stored. With many programs having a "remember this password" feature, it is often easy to lose track of all the passwords (and IDs) you use.
- For important financial records, like balance sheets, income statements and tax returns, keep a copy in a secure location.
- Be sure to keep copies of critical contracts, licenses and operating agreements off site. You may want to update the off site materials quarterly.

Physical Assets

- Keep a regularly updated inventory of all your firm's equipment and other fixed assets. This should include information such as identification numbers, costs and locations.
- Make sure your physical assets are adequately insured.

Supplies

Keep a supply of usual office supplies off site in case you can't reach your business location. This includes stationery, envelopes, business cards and often used brochures.

Useful Information

Keep a file of contacts, phone numbers and email addresses off site. Backing up your contact management software files can be easily handled. Using a hand held device makes this easy and convenient. In an emergency, being able to contact employees, vendors and customers is critical. Be sure to include pager and cell phone numbers.

Communication Plan

Be sure to have a plan on how to contact critical parties. Specific people should be assigned to handle specific contacts - employees, vendors, customers and others. You may also want to have a designated media contact. In the confusion of a disaster, it is critical that accurate and consistent information is made available.

Summary

Common sense, a well thought-out plan and remaining calm are some of the key ingredients of dealing with an emergency. Make sure you and your business are ready for whatever the future holds.

ASK AN AG BANKER

We asked these Dacotah Bank Ag Bankers the following questions.



LEFT TO RIGHT: MARK OBERLANDER, KELLY HANSON, TREVOR SAMPSON AND NATE ZERFACE

Q: We often see great introductory offers, but they are only for new customers. What do you do to take care of established customers, not just try to get new ones?

A: I haven't been a believer in special offers for new customers. I believe building relationships with existing customers is the most effective way to build a customer base. If you do a good job with existing customers, they may refer a neighbor or friend to you.

—Mark Oberlander, Valley City, N.D.

A: Adding new customers to a loan portfolio is always one of the more

important goals for a banker to have, but servicing our existing customers is of equal or higher importance. At Dacotah Bank, we like to think that our existing customers are being taken care of more by service than by rates. Customers are our number one priority and with that goes without saying getting them the best interest rate we can. We like to focus on making sure our customers' advances are done in a timely manner and any loan documents are prepared as quickly as possible in order to get the farmers back to their operation.

—Kelly Hanson, Webster, S.D.

A: We try to provide good service to both established and new customers

on machinery, operating and real estate financing. We are a full service bank whether they are new or existing customers.

—Trevor Sampson, Aberdeen, S.D.

Q: When a farmer applies for a loan, do you only consider cash flow, or do you also look at equity, which might be favorable to farmers because of the increase in land value?

A: In evaluating credit, many aspects of the farm operation are considered not only equity or cash flow. While equity and cash flow are important, I have found character and management ability to be also very important. In fact at times I have found these to be more important than equity and cash flow.

—Mark Oberlander, Valley City, N.D.

A: I tend to look at both. However, I think cash flow should be the most important factor when considering a loan application. It has been my experience that only cash pays back the loan. Not land, not net worth, etc. Some things I like to focus on in regards to equity is how did net worth change over a given period of time. Was there an increase in equity because real estate values were inflated or a result of net operating profits.

—Nate Zerface, Valley City, N.D.

A: Cash flow is an important part of the loan decision process, but not the only factor. When putting together a cash flow, there are many unknowns that will come to affect the operation throughout the year. Earned Equity would be a larger part of the decision making process than just total equity. Earned Equity helps to show the character and management ability of an operation and will give us an opportunity to make a loan to the person rather than just the situation if cash flow or equity is a little tighter.

—Kelly Hanson, Webster, S.D.

A: When viewing loan applications we look at cash flow, equity, and also past profitability of the operation.

—Trevor Sampson, Aberdeen, S.D.

Q: What do you do to help farm families transition assets from one generation to another?

A: In regard the transition of family assets, I tend to act as a facilitator. It's my job to recognize potential concerns in this area and refer them to proper experts (trust bankers, lawyers, accountant).

—Mark Oberlander, Valley City, N.D.

A: At Dacotah Bank, we have some very good tools for our customers to utilize without even having to leave the building. Our Trust Department can help our customers out with

several different tools and avenues for transitioning assets, along with advice and guidance. The same goes for our Insurance Department. If these two areas of Dacotah Bank are not suitable for the situation, we have Investment Centers of America that would be able to help as well.

—Kelly Hanson, Webster, S.D.

A: Dacotah Bank has a fully staffed Trust Department which we work jointly with to help provide the best service possible in the transition from one generation to another, and if the transition requires financing we would work with the farmer to provide a financing package to assist the transition.

—Trevor Sampson, Aberdeen, S.D.

Q: Do you have any special offers for beginning farmers?

A: In North Dakota, we are fortunate to have several Bank of North Dakota (BND) Programs available for beginning farmers. These programs are available for real estate, machinery or livestock purchases. As a local banker, I work in conjunction with BND and the customer. These programs have attractive interest rates and payment terms. Our bank has also used the Farm Service Agency Guarantee Loan Program to assist beginning farmers.

—Mark Oberlander, Valley City, N.D.

A: We have many different tools and programs available to us to utilize for each situation. Every situation is different when it comes servicing a farm customer for borrowing money, especially when it comes to beginning farmers. We have access to several different programs in-house, as well as externally, that can benefit beginning farmers as well as established customers. Our service would definitely be an offer to a beginning farmer, by helping them get the best loan product available to them.

—Kelly Hanson, Webster, S.D.

Q: Why do you enjoy living in the Dakotas?

A: I have lived in this area for all my life. I guess I don't know anything else. I do enjoy working with honest customers and co-workers with a strong work ethic.

—Mark Oberlander, Valley City, N.D.

A: I think I enjoy living in North Dakota because of the people. Growing up in North Dakota you are also exposed to that "small town" feel and values.

—Nate Zerface, Valley City, N.D.

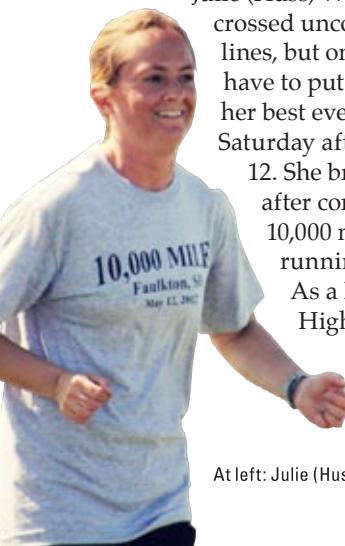
A: I have lived in South Dakota my entire life and wouldn't dream of living anywhere else. The people here are friendly and personable and I feel that it is a very safe place to raise my children.

—Kelly Hanson, Webster, S.D.



Britton-Hecla teacher Jeanette Remily is pictured with Britton-Hecla History Day state champions Isaiah Frohling, Autumn Deutsch and Jade Hoisington.

After Twenty-One Years, Local Runner Passes Milestone



Julie (Huss) Weig has crossed uncounted finish lines, but one she will have to put at the top of her best ever occurred Saturday afternoon, May 12. She broke that tape after completing 10,000 miles of running.

As a Faulkton High School athlete in 1991, Huss and others on

the team were charged by Coach Bill Krikac to keep a log book of the miles they put in running, training and in competition. Julie never lost her place in that log book and 21 years later, to the applause of family members and friends, she reached her 10,000 mile goal.

"I have so many memories when I think back on where these miles have taken me! Said Weig. "I've made it through the injuries, pain, illnesses and terrible weather but running has brought so much to my life! Every mile has been worth it!"

– Faulk County Record *

At left: Julie (Huss) Weig

Britton-Hecla Teacher Wins State Honor

Britton-Hecla instructor Jeanette Remily received the South Dakota History Day Teacher of the Year Award at the state competition on April 14 in Brookings.

Remily said she grew up loving history.

"My father, a WW II veteran, loved history, and I got my love of history from him," she said. "I enjoy early 20th-century history, especially the Great Depression and World War II. I've even had to turn a bedroom into a library for my history book collection."

Remily is finishing her 13th year in Britton, where she

currently teaches economics, sociology, psychology, and junior and senior English.

She has spent hundreds of hours working with 6-12th graders before and after school and has worked with as many as 21 at one time. Students start researching in October and by January need to be focused on a topic with a plan in place. Regional competition is in March at Northern State.

Awards have been plentiful for students under her guidance. Around 20 students have made it to national competition. Three students have placed at the

national competition held at the University of Maryland.

"Thirteen years ago the Britton community knew nothing about History Day," wrote one of the nominators for the state award.

"Due to Mrs. Remily's efforts city groups now donate to the groups' expenses, host fundraising projects for them, and invite them to speak at meetings. Britton-Hecla residents are proud of the event, their young people's involvement in it and are especially proud of the instructor."

– Britton Journal *

Day County Jury Issues Multimillion-Dollar Judgment

A Day County jury returned \$2,242,000 verdicts on May 30 in favor of two local men who filed a civil suit against Nationwide Insurance Company.

Local beekeepers Mike Block, Webster, and Monte Amman, Wilmot, were sued by a competitor. They had purchased commercial insurance, which defends small-business people from the kind of claims that were initially made against them. Nationwide, their carrier, refused to defend them, so the plaintiffs had to fight the suit on their own and were eventually forced into a settlement they didn't

want to get rid of the financial risk.

They then hired Watertown attorney Lee Schoenbeck to review their insurance policy to see if there was any wrongdoing by the carrier. Schoenbeck determined his clients had been wronged and filed suit in circuit court in Webster.

The five-day jury trial took place in the Day County courtroom and ended last week with a judgment in favor of the plaintiffs.

The previous high civil verdict in Day County was \$300,000 in a trial Schoenbeck litigated in 2002.

– Reporter & Farmer *

Where Does the Farm Bill Money Go?

The massive package of legislation about food and farming commonly known as the farm bill (this year it's officially called the Agriculture Reform, Food and Jobs Act of 2012) is being debated in the U.S. Congress this summer; it may in fact have already made it to the Senate floor by the time you are reading this, although passage of the bill will likely inch close to the expiration of the current farm bill on September 30.

The effects of the farm bill extend far beyond what might come to mind when you think of "farming." Here is a look at two non-commodity-ag slices of the farm bill budget pie: Nutrition and Rural Development.

BIGGEST SLICE: NUTRITION

The cost of the 2008 farm bill for five years (FY2008-FY2012) was estimated to be about \$283 billion, but will actually be closer to \$420 billion, due mostly to vastly higher-than-anticipated spending on the Supplemental Nutrition Assistance Program (SNAP). Subsidies for commodities like corn and cotton make far more of the headlines, but if you look at where the money goes, nutrition programs (including SNAP, but also the school lunch program and WIC) get by far the largest portion of the farm bill budget.

Of the money allotted to nutrition, the majority goes to the SNAP, commonly known as food stamps.

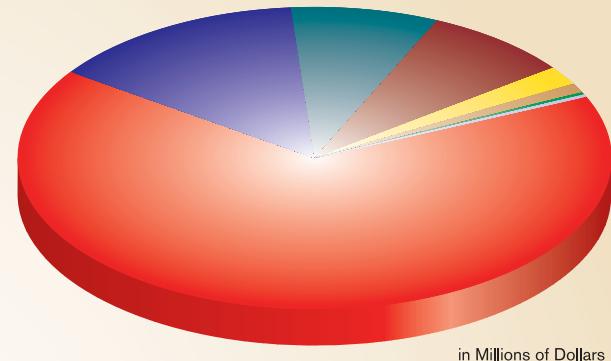
This makes SNAP a target for spending reductions, but that would affect a broad segment of the American public: One in seven Americans (46.3 million people as of February 2012, nearly half of them children) receives SNAP assistance. The number has more than doubled in the last decade. In South Dakota, about one in eight people (about 104,000) receives SNAP assistance; in North Dakota, about one in 10 people (59,000) participate.

TINY SLIVER: RURAL DEVELOPMENT

All of the programs that fit under the umbrella of USDA Rural Development make up a minute fraction of the whole farm bill budget picture. Rural development also is not one of the lucky expenditures that has won mandatory spending in the legislative process, so whatever money it gets is subject to authorization by Congress each year. Chuck Hassebrook, on-leave executive director of the Center for Rural Affairs, points out that spending on rural development has fallen by a third since 2003. Hassebrook argues that this reflects a greater disordering of our priorities.

"A 2007 Center for Rural Affairs study found that USDA spent more than one and a half times as much to subsidize the 20 largest farms in South Dakota as it invested in rural development programs to create economic opportunity for the 80,000 people and 66 towns in the 20 rural South Dakota counties suffering the worst population loss," Hassebrook wrote in an e-mail.

The Center for Rural Affairs is lobbying for the inclusion of a Community Prosperity Fund in the 2012 farm bill that would have in it \$50 million



in Millions of Dollars

Nutrition (Title IV)a	188,902
Commodities (Title I)	41,628
Conservation (Title II)	24,112
Crop Insurance (Title XII)	21,858
Miscellaneous (Title XIV)b	6,382
Disaster Assistance (Title XV)	3,807
Trade/Food Aid (Title III)	1,853
Energy (Title IX)	643
Horticulture/Organic (Title X)	402
Research (Title VII)	321
Rural Development (Title VI)	194
Forestry (Title VIII)	38
Livestock (Title XI)	1

Total "Farm Bill" \$290,141,000

Fiscal Years 2008–2012

Source: Congressional Research Service

a year from which funding for various rural development programs would be drawn. This is comparable to funding in recent farm bills for rural development programs, but by establishing a common fund, the program would meet the minimum amount required to be included in the budget baseline for future farm bill legislation.

This means that rural development advocates wouldn't have to fight every five years to carve a new sliver out of the farm bill pie. *

These stories are the result of a collaborative effort of weekly newspapers in the James River watershed area. Read the full stories at www.dakotafire.net and watch the site for a new feature story about the region every two weeks!



Cell Phones, and Increasingly Smart Phones, are a Part of Rural Life

"Don't leave home without it," a highly successful ad campaign for American Express once advised Americans. Nowadays, the thing Americans don't leave home without is their cell phone.

"Anymore cell phones have become essential," says Kirk Hoefert of Seneca. "I carry (my phone) continuously either for business or for family, so that I can receive calls and texts so that I know what's going on and who needs what."



Nationwide, 88 percent of Americans now own a cell phone, according to a February survey by the Pew Research Center's Internet & American Life Project, up from 83 percent in May 2011. The percentage among rural Americans is not quite as high, but it also is rising quickly: Eighty percent of rural Americans said they owned a cell phone in February, compared to 75 percent in May 2011. *

Little Hope For Better Roads Anytime Soon

Spring driving in rural areas of the Dakotafire region has become more of an adventure in recent years that most drivers would probably like it to be.

First they have to plot their course based on which roads are open. Then they have to watch for rough patches all along the way, slowing down or veering to keep from hitting them too hard.

Roads are rough this spring despite a mild winter that has helped both counties and townships as they try to work on area roads. A trio of nearly intractable factors—super-wet conditions, higher costs for materials and heavier equipment using area roads—is creating a dire picture overall for road conditions throughout the Dakotafire region. *

Rural Dakotas Invest in the Potential of Fiber Optic Connections

For many in the rural Dakotas, however, there's no reason to be envious: The fiber connection that these cities were competing for is already installed to thousands of homes and businesses here. In the 10,000-square-mile area served by Dickey Rural Networks and Dakota Central Telecommunications, 100 percent of their customers are connected to the Internet with a fiber optic line. It's the largest all-fiber area in North America and possibly the world, according to a marketing website put together by the two telecommunications companies. *



In February 2010, Google announced it was going to build and operate its own fiber optic network, which would provide a phenomenal 1-gigabyte-per-second connection for the residents of the city that was chosen to receive it.

Cities across the country clamored to be the one chosen. More than a thousand cities applied for the honor; Kansas City, Kans., was eventually selected.

CORN BELT STRETCHES TO INCLUDE DAKOTAFIRE COUNTIES

→ Two decades ago, a summer drive along Dakota roads could take you by fields of color: the light green of wheat or oats, the purple of blooming flax, or the bright, sunny yellow of sunflower fields. Today, eastern Dakota fields are almost always two shades of green, the same colors that have been the palette of Iowa and Illinois for decades: the deep green of soybeans, or more commonly, the yellow-topped rich green of corn.

Here's a look at what's happening with *Zea mays*, this crop that now makes up so much of the Dakota landscape.



WHY DO WE GROW SO MUCH CORN IN THE UNITED STATES?

CORN IS RELATIVELY EASY TO GROW.

Corn has an inherent advantage as a plant: Few plants can create as many calories from a given amount of sunlight, water and basic elements. Native Americans recognized and nurtured these characteristics in corn, which gave it added genetic diversity to grow in a variety of conditions. Colonists arriving from Europe saw the benefits as well. In fact, some historians argue that if settlers had not taken on the growing of corn, they would not have been able to build a powerful nation in the New World.

Today, growing two crops such as corn and soybeans is easier than the half-a-dozen crops plus livestock that farmers used to have in their operations in the Dakotas, according to Chris Laingen, assistant professor of geography at Eastern Illinois University.

"I met with a farmer up by Tulare," Laingen said. "It was a joke, but he pointed at the side of his truck and asked if I knew what 4x4 stood for. He said, 'I work four weeks in the spring and four weeks in the fall.' He plants his field, applies his chemicals. He might have to out there a couple more times, but in the fall he harvests it and that's about it."

CORN IS VERSATILE.

The push to continue to increase production of corn is in part due to all of the things that we have figured out we can make out of corn, Laingen said.

Corn makes up a substantial part of the American diet, and corn on the cob is a minor part of it. According to author Michael Pollan, of the approximately 45,000 items in an average supermarket, more than a quarter are in some way derived from corn: The corn fed to the livestock that ends up in the meat department, the corn-based sweeteners in beverages and many other foods, the modified corn starch used to hold foods like chicken nuggets together, the glucose fermented to create alcohol in beer, and much more.

It's not surprising, then, that Americans' bodies are in large part made up of corn. Todd Dawson, a scientist from the University of California-Berkeley, can test human hair and find out how much of the carbon in it came from corn. For one CNN correspondent who had his hair tested, 69 percent of that carbon was corn-based. "(W)e North Americans look like corn chips with legs," Dawson says in Pollan's 2007 book *The Omnivore's Dilemma*.

Corn is also used in many nonfood items, such as disposable diapers, batteries, matches and magazines. It can also be used to make plastics.

"Ethanol was a big game-changer, too," Laingen said. About 5.05 billion bushels of corn were used to make ethanol in 2011, which was more than was used for animal feed (about 5 billion) and far more than was used for human

consumption (about 2.5 billion), according to the Scientific American. Laingen thinks, however, that we've now hit a saturation point in the amount of corn used for ethanol.

POLICIES HAVE SUPPORTED CORN PRODUCTION.

Some examples:

- After World War II, great amounts of ammonium nitrate were left over from making munitions for the war effort. Agronomists at the U.S. Department of Agriculture lobbied to have them applied to farm fields, which increased yields and also kick-started the chemical fertilizer industry.
- U.S. Secretary of Agriculture Earl Butz's call to increase production for the export market in the 1970s also played a role in increased corn production.
- Corn is the most highly subsidized crop. It received \$3.5 billion in federal money in 2010, according to *The New York Times*.
- Ethanol has received much government support in recent decades, including a tax credit for blenders of gasoline. A mandate that these blenders use ethanol in gasoline was allowed to expire last year, but the tax credit still provides an incentive for ethanol's use in gasoline blends.



CORN IS EASY TO TRANSPORT.

In addition to its versatility, corn is also can be exported and shipped easily, and “it doesn’t have many issues with storage as small grains do,” Laingen said.

Much of the growth in corn production now will be sent to Asia, where an increase in population and a change toward more American-style eating mean corn is in demand. South Dakota Wheat Growers—which may want to consider a name change in the near future, since it now deals much more in corn than in wheat—has invested millions in its Connecting to Tomorrow project, which is designed “to reach global markets more efficiently and with higher volumes,” according to the Wheat Growers website.

CORN YIELDS HAVE INCREASED DRAMATICALLY.

Between 1939 and 2010, average U.S. corn yields increased six-fold, to a high of 165 bushels per acre. This increase was in large part due to the introduction of hybrid seeds and the increased use of nitrogen fertilizers.

One example a genetic improvement in corn varieties: Cornfields are much more crowded than they were a few years ago. Researchers have neared the natural limit on how many kernels can be grown per ear and how many ears can be grown per plant, but they have still been able to increase yield by creating varieties that are more tolerant of the stress of being very closely spaced in the field.

ARE THERE PROBLEMS WITH GROWING THIS MUCH CORN?

A massive corn harvest does have a few negative side effects. Some examples:

- Corn requires a great deal of nitrogen. When corn is grown exclusively, it can deplete the soil, which then requires more nitrogen fertilizer to be added. Fertilizer runoff can contaminate groundwater.
- The abundance of corn is a double-edged sword for the U.S. diet. Food is cheap—even with price increases since 2008, no civilized nation spends less of its income on food, according to Michael Pollan—but much of the food in which corn is an ingredient is high in calories and low in nutrients. Moreover, studies have shown that when extra calories are around, we tend to eat them, so too many cheap calories can add to our obesity epidemic.
- The increased demand and high price for corn has led to the loss of grassland as farmers bring more and more land, most of which was previously considered unsuitable for cropland, into crop production. The loss of grassland is detrimental to wildlife of all kinds, but especially to grassland nesting birds. A lot of the land being brought into crop production had been left as pasture before because it was steep, sandy, wet or had some other limitation. As this land is converted to cropland, it is highly prone to erosion and other problems.
- The favorable economics of corn production have also pushed aside other crops. As farmers grow more corn and less of other things, their crop rotations get shorter or disappear altogether. This loss of diversity has a negative impact on soil health and also makes crops more susceptible to an outbreak of insects or disease.

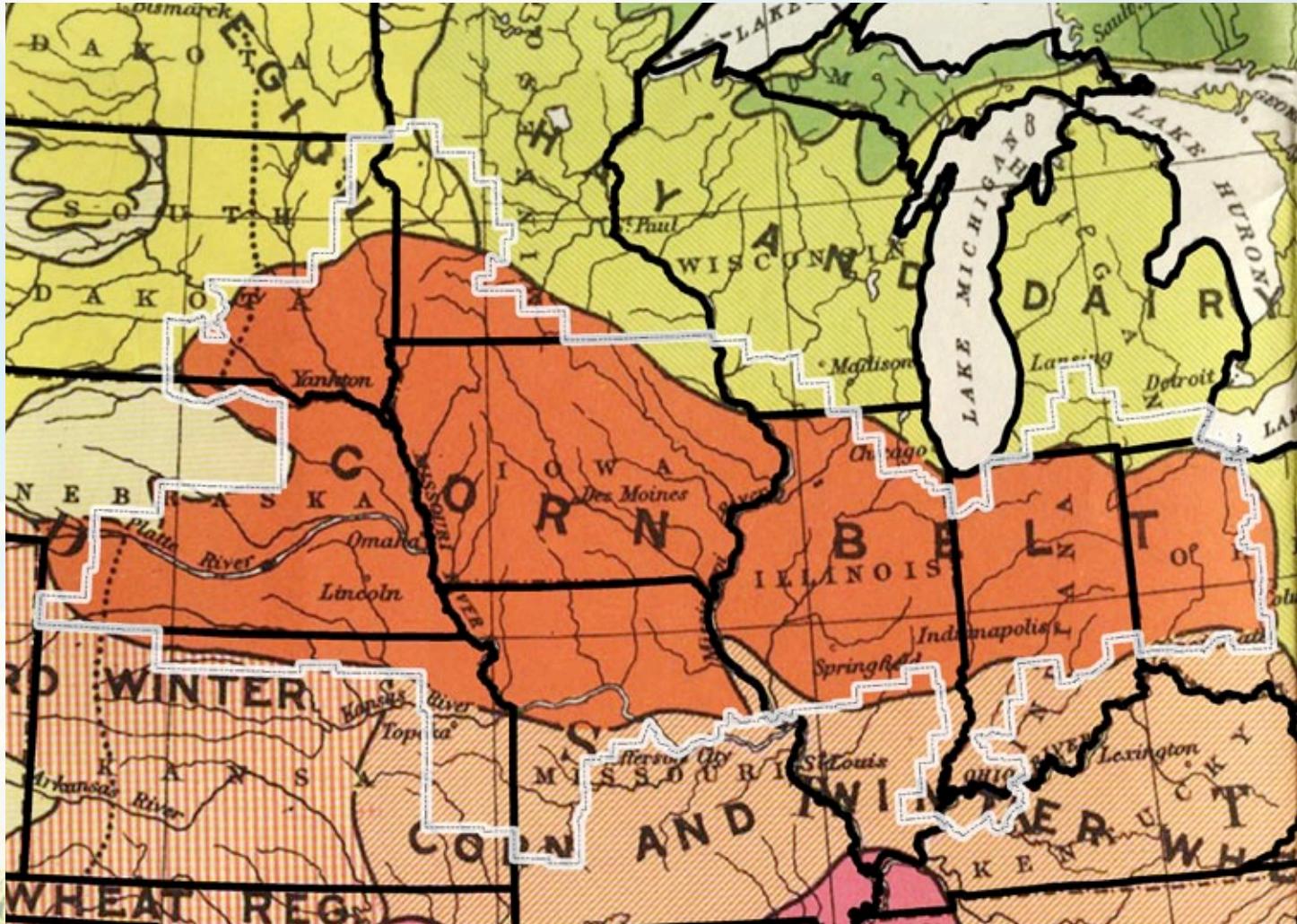
WHAT DO WE MEAN BY THE “CORN BELT”?

1927 – Agricultural geographer O.E. Baker drew a rough outline of the Corn Belt in 1927, shown in the dark orange area on this map. He described the Corn Belt as a region “in which corn is produced in great quantities and is more important than any other crop.” This region included only the southernmost Dakotafire counties: Sanborn, Miller, and parts of Jerauld, Beadle and Kingsbury. Most Dakotafire counties were in the “Spring Wheat Region.”

1950 – The U.S. Department of Agriculture did a more precise map of the Corn Belt based on county lines. The Corn Belt now included several South Dakota counties just outside of the James River Valley that hadn’t been in Baker’s 1927 version: Roberts, Grant, Codington and Hamlin.

The background map here shows agricultural regions of the United States as delineated by O.E. Baker in 1927. The borders of the Corn Belt as defined by the U.S. Department of Agriculture in 1950 are superimposed over the top.

Image courtesy Chris Laingen

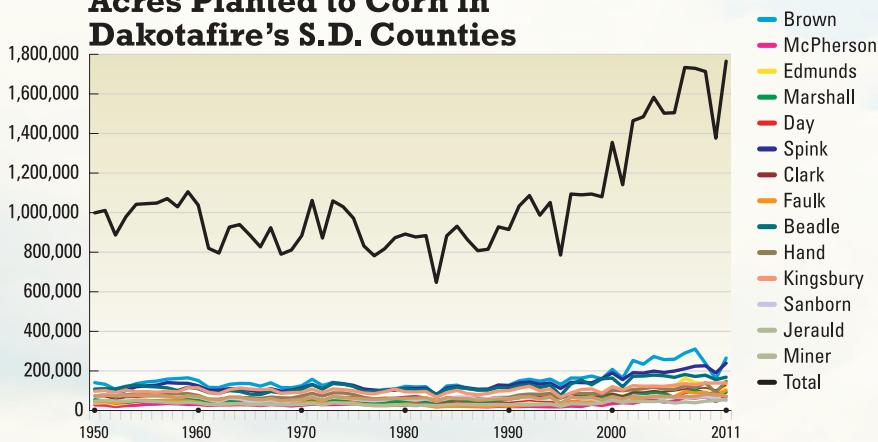


HOW HAS THE CORN BELT CHANGED?

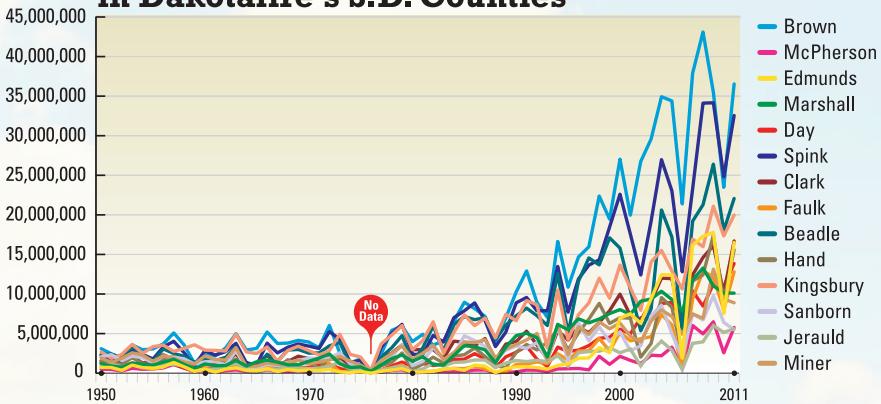
In 1986, John Fraser Hart, who studied the rural landscapes of the United States, noted that "The Corn Belt is in turmoil. Its traditional system of mixed farming, which had flourished for almost 150 years, has been replaced since World War II by highly specialized types of agriculture." He was looking at the 1950 USDA borders of the Corn Belt when he made that statement; now, Laingen and Craig find, that change has spread with the Corn Belt into all Dakotafire counties in North and South Dakota, and even farther north than that.

Acres devoted to corn have increased dramatically in Dakotafire counties since 1950; they have doubled in S.D. Dakotafire counties, and are 2.5 times greater in N.D. Dakotafire counties. Harvested bushels have exploded in Dakotafire counties as they have all over the Corn Belt, as yields have improved.

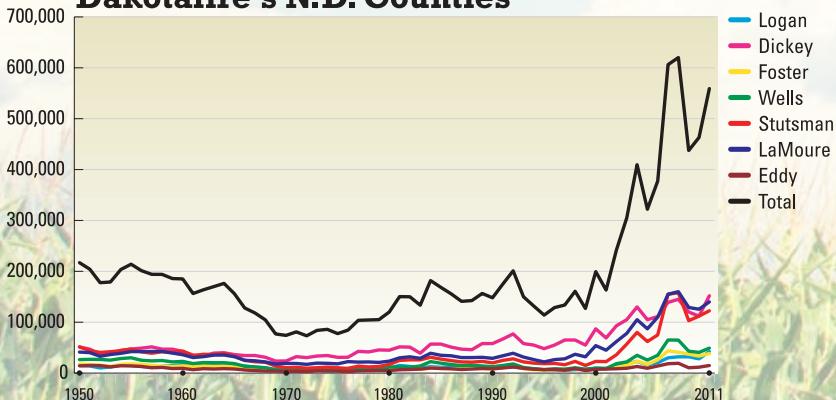
Acres Planted to Corn in Dakotafire's S.D. Counties



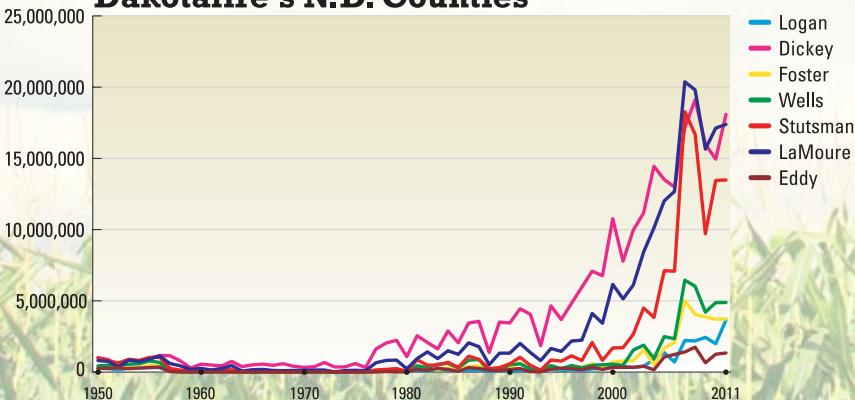
Harvested Bushels of Corn in Dakotafire's S.D. Counties



Acres Planted to Corn in Dakotafire's N.D. Counties



Harvested Bushels of Corn in Dakotafire's N.D. Counties



WHAT WILL HAPPEN IN THE CORN BELT NEXT?

Laingen is tracking the march of corn northwest, into regions that did not have a long enough season to grow it until recently.

"There is a convergence of technology allowing corn to be grown up there when it couldn't have in the past just because of how long it took corn to mature," Laingen said.

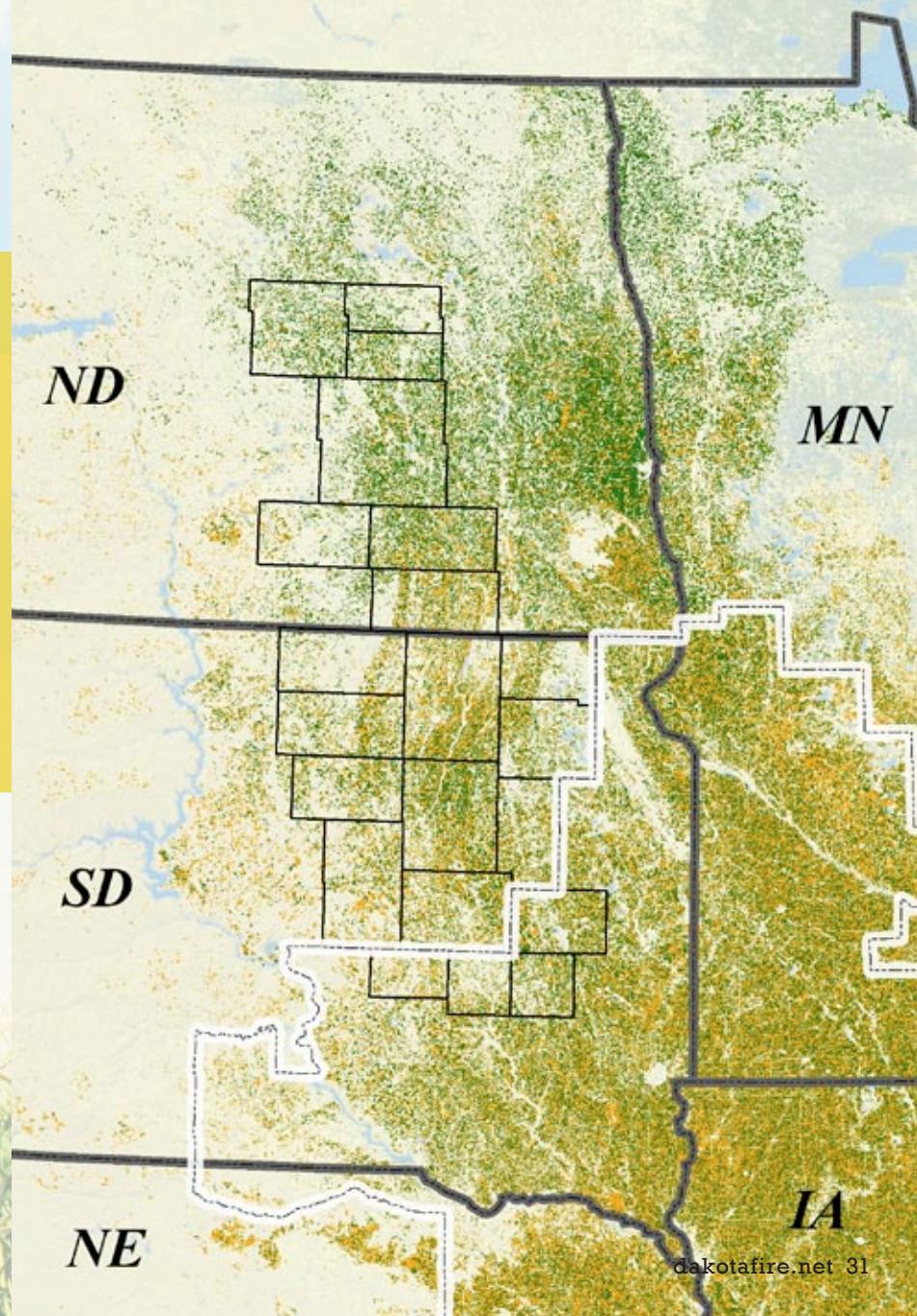
He and his colleague from EIU, geographer and climatologist Cameron Craig, took a drive through corn-growing country in preparation for future work demarcating how far the Corn Belt has spread. Their tour resulted in an article entitled "Another Notch in the Corn Belt," which was published last summer in *Focus on Geography*.

According to Laingen and Craig, "Two themes that we heard and saw evidence of time and time again were 1) increased production and 2) the phrase 'we're going to grow what makes the most economic sense.'"

What makes the most sense in Dakotafire counties now is apparently corn. Corn is now grown well past the 1950 outline of the Corn Belt, into all Dakotafire counties and beyond (though some North Dakota counties grow more soybeans than corn).

Nationally, U.S. farmers are planting the largest corn crop in 75 years. If the weather cooperates, the U.S. could produce 48 million tons of corn this year, up 4.5 million tons from last year. This could lower corn prices significantly, but even so, the overall "economic sense" of corn is unlikely to be affected. *

Areas in yellow indicate where corn was grown in 2011 based on the USDA Cropland Data layer, is derived from satellite images that show where various crops are being grown. Areas in green show where soybeans were grown. Dakotafire counties are outlined in black; the dotted line with white border shows the 1950 USDA demarcation of the Corn Belt. *Image courtesy Chris Laingen*



MILES of TILE

High crop prices prompt many farmers to invest in drainage projects

REPORTING BY

DOUG CARD BRITTON JOURNAL,

JOHN SUHR REPORTER & FARMER

BILL KRIKAC CLARK COUNTY COURIER

As farmers in the eastern Dakotas worked around the wet areas in their fields this spring—something that's increasingly difficult to do as machinery gets bigger and as sloughs have spread in recent wet years—they were likely doing a fair amount of math in their heads. How much is that slough worth now, and how much would it be worth if it were drained?

The sight of big rolls of drain tile sitting on the edge of fields waiting for installation shows the answer of that bit of figuring. And the way the farm bill is written could make tiling even more common.

Drain tile installation by Precision Soil Management of Redfield, S.D.



Most agricultural land in Iowa and Minnesota was tiled decades ago, but at that point it was not worthwhile for land in the Dakotas to be tiled. Then in 1985, Swampbuster provisions in the Food Security Act effectively stopped new drainage projects.

But since then, corn can be grown more easily in the Dakotas, and potential profits on corn and other crops are much higher.

"Crop prices have increased dramatically, and producers want to make efficient use of every acre," said Tom Martin, Natural Research Conservation Service District Conservationist for Marshall County. "That's what's driving it. It makes it more economically feasible to invest money in tile, and it probably still would be at \$2 corn."

The 2010 Small Business Jobs Act also inadvertently spurred more installation of tile by speeding up the amortization of improvements, according to Brett Lorenzen, a researcher at the Environmental Working Group who has been studying drainage issues. The IRS interpreted "small business" as applying to farms, so some farmers took advantage of the program to install drain tile.

The farmer's investment in tile has spurred investments from companies who make and install it. One drain tile manufacturer, Advanced Drainage Systems, Inc., from Ohio, will open a new facility in Watertown, S.D., late this summer, after opening a facility in Buxton, N.D., last year.

"The demand for our products in South Dakota, North Dakota and northern Minnesota has been incredible," said ADS chairman and CEO Joe Chlapaty in a news release.

The Swampbuster provisions still apply, which means that wetlands cannot be drained if farmers want to stay in compliance. However, water that is pooling in fields but that is not an official wetland *can* be drained.

So what's the difference?

Just looking at the water won't tell you. The NRCS has special teams that travel around to do wetland determinations by examining the plant life and testing the soil.

Martin said the Marshall County office generally receives five or six tiling requests a year. Last year, they had 50. Every one of those requests requires a wetland certification first; multiply that by all the counties where corn and soybeans can be grown profitably, and it's easy to see where the holdup is. Last fall, the expected wait to get a wetland certification done in eastern North Dakota was three to four years.

More staff has been hired in eastern South Dakota to deal with the increased caseload, Martin said.

If farmers don't get a wetland certification done before they install drain tile, or if they tile without one, there isn't a whole lot the NRCS can do about it. NRCS employees don't carry handcuffs, after all, and even if they did, draining a wetland isn't a crime.

According to Jake Stich, an NRCS employee in Day County, the agency does not approve or deny projects. "We don't tell a landowner if they can do the project or not," he said. "We give them the information they need to stay in compliance, which is the producer's responsibility."

The only "stick" the NRCS has is to not allow those farmers to participate in federal farm programs. With crop prices as high as they are, that's not much of a threat. Many farmers aren't getting support from direct payments or counter-cyclical payments anyway.

Gary Leistico, an attorney from St. Cloud, Minn., who specializes in drainage issues, said many of his clients are opting to get out of federal

farm programs so they don't have to deal with federal regulations (such as waiting for wetland certifications) when they want to drain.

Leistico, who was quoted in a September 2011 article in the ag publication *Tri-State Neighbor*, says he urges his clients to think twice about that, because some years down the road they may wish they were still eligible for farm programs.

Depending on how the 2012 farm bill is written, they may not have to choose. The direct and counter-cyclical payments (which farmers hadn't been receiving anyway in times of high crop prices) are likely to be discontinued, and in their place would be an additional crop insurance program that would help farmers in times of low prices. In the current crop insurance program, which covers yield losses, the government pays an average of 62 percent of the premiums, and payments are likely to be similar for the additional coverage.

The farm bill that came out of the Senate ag committee in May does have a provision that ties crop insurance to conservation compliance, including wetland regulations. But many ag groups are lobbying hard against it.

In an open letter to Sen. Debbie Stabenow in April, a coalition of ag groups said that linking crop insurance to conservation compliance would have "numerous unintended consequences."

But if crop insurance doesn't require compliance, farmers who don't participate in any other farm program will have little incentive to wait potentially years to find out whether they have permission to farm the land hidden under that water. *

MORE ONLINE: Wondering why we're having all these problems with excess water now? See a slideshow with this story on Dakotafire.net.

WHAT GOOD IS A WETLAND?

While the potential worth of the land for farmers is fairly easy to measure, the worth of the land if it isn't drained isn't as easy to measure—though various agencies have tried. A 2001 Environmental Protection Agency paper called "Functions and Values of Wetlands" lists several functions that affect the worth of the land:

- **Wetlands store water and release it slowly.** This can reduce the impact of raging floodwaters on property elsewhere, which can be measured in economic terms: "The U.S. Army Corps of Engineers found that protecting wetlands along the Charles River in Boston, Massachusetts, saved \$17 million in potential flood damage." An acre of wetland can store up to 1.5 million gallons of floodwater.
- **Wetlands filter pollutants from water.** "In many cases, this filtration process removes much of the water's nutrient and pollutant load by the time it leaves a wetland."
- **Wetlands support a wide variety of wildlife.** This supports commercial and recreational fishing, as well as ecotourism activities such as hunting, fishing, bird-watching and photography, which add billions to the national economy.
- **Tiling land can also cause potentially costly problems.** For example, drainage in one area could cause increased flooding damage in another, which can cause (and has caused) disputes between neighbors.

"It gets real ugly when residents take matters into their own hands," said S.D. Rep. Brock Greenfield at a presentation about drainage in Bradley this spring.

The fact that drainage is not mapped also presents a potential problem, said Lorentzen of the Environmental Working Group. "(The system of drains) is essentially a sewer system," Lorentzen said. When

a problem appears downstream (such as the widening dead zone in the Gulf of Mexico), no one has a map to try to trace the problem back to its source.

The people who benefit from these functions of wetlands (or who are harmed when they are no longer there) for the most part do not own the land that benefits them, and they also are not benefitting from any one wetland any more than another. They may not even know they are benefitting.

This makes wetland drainage a case of "the tragedy of the commons": The benefit for one person to drain the land is a much more powerful incentive than the benefits that go to many people if that person leaves the land as a wetland.

The easiest way to stop such a tragedy from happening is to use the force of an outside agent—government laws or regulations, for example, suggests a paper by Raymond de Young from the University of Michigan. However, that approach usually backfires, as people don't like to be told what to do and look for ways around the rules.

A better way to approach the problem, de Young suggests, is for people who are stakeholders in how a certain resource is used to organize themselves into a self-managed institution that works together to define boundaries for the use of that resource. (See de Young's suggestions for forming these groups here: <http://www.personal.umich.edu/~rdeyoung/tragedy.html>)

A new organization called the S.D. Regional Watershed Advisory Task Force might serve this purpose, even if it was created by the "outside agent" known as the S.D. Legislature. Organizers hope the 14-member task force will bring together and streamline local water districts to create a unified approach to water issues, including the installation of drainage.

The task force will hold its first meeting sometime after July 1. *

A New Foundation

BY KRISTIN BENNETT

You'd better fill the tubs and sinks with water before the move," Great Grandpa Moeckly kept saying.

I couldn't figure out exactly why he was so insistent, and what this was supposed to mean. But out of respect for this kind man with the fading memory, I nodded and agreed that it was a good idea, we'd better get that tub filled before they uprooted the house. Why? Nobody else seemed to know either. Nod and agree.

Only a few weeks earlier, I had decided my family needed a new foundation of our own, and I knew just where to go. We wanted stability, an affordable cost of living, safety, security, clean air, healthy lifestyles, and we wanted to feel like a true part of a community. We wanted a view,

elbow room, horses, unsupervised kids riding bikes around town. In other words, it was time to go home to South Dakota. Denver had treated us well. But we needed a new foundation, just like the hundred-and-something-year-old house we had just purchased for pennies on the dollar compared to our Denver house. You know that ledger in your subconscious that keeps the silent running total on whether or not you're making good decision? Subtract huge upside-down mortgage in Denver, add house paid for with a handwritten check in Britton.

The two-day ordeal of moving the beloved Moeckly family home to its new foundation 8 miles into town was a community-wide event. It rained the day of the big move, but that didn't stop the dozens of spectators who turned out to witness the beautiful old house being lifted from its leaking foundation onto the house mover's truck. There was a sad and violent crashing, creaking, groaning sound as the foundation and house were separated. Basement windows shattered, huge saws broke through concrete, and the whole works was just amputated. Add three expensive hi-line cuts and repairs moving down Highway 10. Nobody was sure which would give way: the massive tree branch blocking our progress down the new driveway, or the creaking chimney butting up against it. Subtract chimney repair as tree gives way.

Selling our house in Denver, relocating the kids in their new school, moving into the old house, then moving the house itself... it was a little stressful. The lose-hair-in-big-clumps kind

of stress. My doctor had to remind me that a human body and soul can only take so much at one time, and that my hair would grow back when my stress diminished.

Through all this turmoil, right down to today, there has never been one moment of doubt that we made the right decision. Add Nioxin miracle hair growth treatment shampoo. Subtract lock-down middle school and gang-relations committee meetings. Subtract Denver Public School Highly Gifted and Talented Program, add child's first F by a Midwestern teacher who means business and knows how much self esteem a child actually needs.

We moved back into the house in chilly mid-October, before the new guts were even done. We used the fireplace for heat. We lit kerosene lamps for light. We used extension ladders instead of steps. The dog learned how to use a ladder. It was charming and cleansing. My hair started to grow back. We camped in our new old house. I sent photos to my friends in Denver of the old farmers standing in front of the Post Office, as though I had moved straight to Lake Wobegon. I had forgotten how charming small town life is, and I still feel that way five years later. Add fireflies, subtract sirens.

Five years earlier, as we waited for the new plumbing to be finished, we hauled heavy buckets of water up these long ladders just to use the sinks and toilets. That was when I remembered what Great Grandpa Moeckly had said. He was right: It sure would have been nice to just draw those buckets from a big tub full of fresh water. *

Send us a 'Postcard'!

In each issue of Dakotafire and regularly online at Dakotafire.net, we will feature a "Postcard"—a short, evocative story about an event, person or place, written as if you were telling the story to a friend. Some ideas: hunting stories, the highlight of a big basketball game, or a moment in history. The story must have a photo to accompany it. Digital images (a minimum of 1000 pixels wide) are preferred; you can also send a photo by mail. E-mail submissions to heidi@dakotafire.net, or mail to **Dakotafire Media, Postcard Submission, PO Box 603, Frederick, SD 57441**.



Kristin Bennett and her kids Emma, Clara, and Joe relocated back to South Dakota in 2007, where they live happily with three dogs, two cats, lots of horses, and a community loaded with friends, family, and golden opportunities. Kristin runs her business online, and the Bennetts live in the beautiful home that will always be known as "the Moeckly house." It rests comfortably on the northwest side of Britton, with a fabulous view of heaven on earth.



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