



**Sow the Seeds
Flood Relief Assessment Report
March 2008**

Begun in 2006, the Sow the Seeds initiative fosters sustainable food systems in the Upper Midwest. Sow the Seeds was initiated by The Wedge Community Co-op and the Institute for Agriculture and Trade Policy in Minneapolis to educate and engage members of the public while supporting local, sustainable food production.

In August 2007, massive “once-in-500-year” storms hit southeast Minnesota, southwest Wisconsin and northeast Iowa. Some areas received over 20 inches of rain in a three-day period. These floods were a major disaster for many farmers in the region. In fact, for many producers the devastation threatened to bring an end to their farming careers. Especially hit hard were organic and sustainable farmers who raise crops and livestock products for specialty markets.

In response, the Wedge and IATP launched a special “Sow the Seeds” flood relief effort. Hundreds of individuals and dozens of retail food co-ops, restaurants, other businesses, churches, nonprofits and foundations organizations contributed generously. A committee of agricultural and community leaders was formed to reach out to affected farmers and review producer applications for financial aid. In just five months, over \$390,000 was raised and distributed to area farmers who applied for support.

Consultant Paul Wotzka was hired as the flood relief effort reached its conclusion to talk with these farmers about their experience and explore how traditional flood relief programs and Sow the Seeds assisted them in the aftermath. He interviewed all 31 STS farmers and captured his findings in the attached report. Specifically, his report assesses:

- demographics of the Sow the Seeds recipients
- flood damage to farming operations
- changes made to farming operations in response to the floods
- farmers’ experience with Federal and State disaster relief programs
- how support from Sow the Seeds helped these farmers

The report also examines the need for improved disaster relief programs for sustainable and organic farmers, and additional strategies identified by the producers to strengthen the local food system. To learn more about Sow the Seeds’ ongoing food systems work, please see www.sowtheseedsfund.org

With kind regards,

A handwritten signature in black ink that reads 'JoAnne Berkenkamp'.

JoAnne Berkenkamp
Program Director for Local Foods
Institute for Agriculture and Trade Policy



Institute for Agriculture and Trade Policy

By Paul Wotzka

Demographics of the Sow the Seeds producers

Thirty-one sustainable and organic farms received flood relief assistance from Sow the Seeds. Two recipients were located in northeast Iowa, twelve in southeast Minnesota and the remaining seventeen in southwest Wisconsin. The farm operations vary in size from 1-2 acres to several hundred acres. A variety of farming and agricultural operations were involved including: one cheese maker, one ice cream processor, one woody agriculture producer, one turkey producer, six beef cattle farmers, five dairy farmers, and 15 vegetable producers. This classification is based on the recipient's primary source of income. Many of these farms have several interconnected enterprises that include raising livestock and crops as well as vegetable production. These diverse "closed loop" operations represent some of the best soil and water conservation farms in the region.

Damages Incurred to Farming Operations

Even before the August floods, 2007 had been a very difficult growing season for farmers in southeastern Minnesota and southwestern Wisconsin. In March 2007, a rapid snowmelt resulted in flooding in many fields and streams. A dry period followed the cool, wet spring. This dry spell developed into a severe drought in July that covered much of the region. The drought was broken in August by a series of storms. The August 18-19 rainfalls exceeded "once in 500-year" status and resulted in Presidential Disaster Declaration in 7 Minnesota counties and 14 counties in Wisconsin. Some areas received 22 inches of rain in a 72-hour period.

One of the hardest things suffered by sustainable and organic produce growers was that the 2007 harvest was getting comfortably close when the flood hit. Many crops were in great condition. Melons and tomatoes were considered the best "we've ever seen." Only a week away from harvest, these precious assets were swept away. Potatoes, carrots and onions rotted in the fields; unripe apples dropped early due to the excessive moisture and new disease and weed problems persisted throughout the fall.

Livestock producers also suffered considerable losses from the flood. Animals drown. Hay was uncut due to wet field conditions. Barns, fences, and farming equipment were ruined or severely damaged. Pastures and fields were filled with rocks and debris.

Collectively, recipients of STS reported losses in excess of \$1.7 million. In addition, many farmers expressed significant uncertainty about spring planting. Concerns focused on long term flood damage such as compacted and contaminated soils; new weed pressure; and exacerbated insect and fungal problems.

Changes made to farming operation in response to the flood

Historically, farmers have been attracted to the valleys in this bluff land landscape because of the proximity to springs and perennial streams. These areas have some of the regions best soils – recent alluvium from the uplands and much older loess soils that are well drained and fertile. Small scale vegetable producers find the soils and small fields ideal for growing a variety of vegetables, fruit, herbs and flowers. However, as many of these farmers realized, "floods are inherently unfair." The farmers in the valleys suffered the greatest damages because of their proximity to the greatest volume of flood waters.

As a consequence, four of the largest vegetable producers who farmed these valley fields are moving fields or farms to higher lands. Four farmers on higher ridge top farms are continuing with current practices. The remaining farmers are using soil and water conservation measures, including cover cropping and increasing organic matter, to minimize runoff and soil erosion and increase infiltration of rainfall.

Experience with Federal and State Disaster Relief organizations

The essence of recipients' experience with traditional flood relief programs was summed up by one farmer who said, "Asking for help is an acknowledgement of your failures; confronting the disaster relief bureaucracy can be overwhelming especially when you are used to being on your own."

Almost without exception, the recipients of STS reported negative experiences with traditional disaster relief organizations. Only one STS recipient was signed up for the Federal Noninsured Crop Disaster Assistance Program (NAP) or Adjusted Gross Revenue-Lite (AGR-Lite) crop insurance programs before the floods. Growers expressed dismay at NAP's requirement for a greater-than-50% loss in order to obtain recovery and the necessity of providing AGR-Lite records from previous five years' income and expense information.

A similarly dismal experience was reported with flood relief programs from the State of Minnesota. At the time this report was written, only one Minnesota grower had obtained flood relief from the Minnesota program specially billed to "help organic farmers affected by the floods." This help was received only due to persistent calling and the extraordinary efforts of a local legislator.

One bright note concerns the role that FEMA played in providing money for damage to people's homes. Over one-third of the STS farmers received some assistance from FEMA for such damage. However, the amount of aid was typically small and did not make much difference to the overall stressed financial situation of the producers.

How support from Sow the Seeds helped organic and sustainable farmers

Farmers were helped in many ways by STS. Most important was the psychological boost that came from the outpouring of community concern after the flood. People who eat, market, and cook the food grown by these farmers donated generously to Sow the Seeds. As one farmer put it: "When you are devastated by a natural disaster like this flood, you feel alone and paralyzed to help yourself out of the mess Mother Nature delivered; the people that gave to the Sow the Seeds Fund helped my psyche out more than anything... they gave me the hope that there were better days ahead. They really cared!"

In addition, every farmer contrasted their gratitude at the timeliness of financial aid from Sow the Seeds with their experience with State and Federal disaster relief programs. Federal and State disaster relief efforts are at best very slow and bureaucratic, and in many cases farmers have not yet received financial assistance. "You run out of steam and my belief is that is the way the Federal disaster relief organizations were set up" stated one farmer. "They put that stiff arm out there and keep you at a distance until you give up. You just get so frustrated with it, you give up."

By contrast, the STS process was viewed very favorably due to the following qualities:

- Funds were made available to producers very rapidly (e.g. the first round of disbursements was made in mid-October, eight weeks after the floods hit).
- Additional awards were made promptly as additional donations were received.
- The application process was viewed by recipients as appropriate and not overly burdensome.
- IATP provided a staff member who helped producers complete the application process and work through any outstanding questions.

The funds from STS were spent by the recipients in myriad ways including paying off operating debt and mortgages, purchasing hay for beef and dairy cattle; repairing fences; clearing fields of debris, sand, and rock; repairing machinery, vehicles and sheds; and purchasing potting soil and seed for spring planting.

The Need for Improved Disaster Relief Support for Sustainable and Organic Farmers

Recipients expressed strong concern that a better system of disaster relief support is needed for sustainable and organic farming. This concern reflects the vulnerability sustainable and organic farmers are feeling with respect to natural disasters and natural disaster planning. On the one hand, these farmers see and feel the effects of global climate change more clearly than anyone. Many have diverse farming operations and practice soil and water conservation methods on their farms. These efforts are good steps but can not overcome the larger problems associated with the increasing variability of drought and flood patterns across the Midwest.

On the other hand, these farmers know only too well that farming is an inherently risky business. Most expect the frequency and severity of natural disasters to increase as the climate becomes more volatile. This will make effective risk management for natural disasters even more important.

It is clear from the interviews that many of these producers either were turned down by or did not seek support from traditional federal and state disaster relief programs. Many relayed stories of dismay when trying to enroll or recover damages for crop loss under NAP. For recovery under NAP, a farmer must have suffered a greater than 50% yield loss. Only if a farmer's yield loss exceeded 50% of approved yield will the loss be eligible for NAP. For vegetable producers growing 40-50 different varieties of produce this requirement alone is prohibitive, both in terms of the cost and recordkeeping. Many producers also expressed a lack of knowledge about application deadlines for other disaster relief programs or learned after applying that they had missed the deadline.

Another problem is establishing an appropriate value for specialty products. The market value of organic vegetable and meat products is systematically under-stated because the USDA's Risk Management Agency has not recognized the added value of these products. The result is that crop insurance coverage for organic crops is available only at conventional prices. Record keeping requirements to establish the price of high-value vegetable crops and the premium paid for organic vegetable and meat products are also problematic. These requirements were particularly hard to meet when entire homes were inundated with flood waters, financial records along with them.

Finally, organic and sustainable farmers had difficulty determining which disaster relief programs specifically applied to them and how to appeal any decisions denying them aid. Seven recipients applied for disaster assistance to the Small Business Administration (SBA). All were denied recovery because businesses "engaged in the production of food and fiber, ranching and raising of livestock" are ineligible for SBA loans. Only one farmer stated that he was appealing a denial of aid while the rest were discouraged from pursuing any avenues for appeal.

Another major obstacle in obtaining relief from traditional disaster relief programs is the vast quantity of paperwork needed to make it through the process. Farmers caught in the throes of a disaster need technical assistance to file the necessary paperwork and shepherd their interests through the process. As of mid-March 2008, only one of the producers interviewed for this report had received disaster relief support from the State of Minnesota.

By contrast, conventional farms have a safety net of Federal crop insurance and other programs that serve those farms growing only corn and soybeans. By and large, these programs do not support diversified farming operations. Long standing philosophical and cultural differences with agencies implementing these programs add to diversified producers' frustration and distrust. They rightfully conclude that these disaster relief programs do not work for them. This is one of the primary reasons why STS assistance was so welcomed. Supporters of the local food system are thus encouraged to:

- 1) Advocate for Federal and State disaster relief programs that work for sustainable and organic farms.
- 2) Mobilize support for farmer advocates to help sustainable and organic farmers complete the paperwork required by State and Federal disaster relief programs in the wake of emergencies.

Additional Strategies for Strengthening the Local Food System

STS recipients were also asked about other strategies for strengthening the local food system. The concern most commonly raised was inadequate access to capital, a problem that is viewed as hindering the growth of many organic and sustainable farmers in the region. In fact, half of the recipients expressed the need for “Green” capital and/or additional sources of loan financing. The desire for additional technical assistance and expertise to develop sound business plans was also voiced.

By the same token, many producers shared stories of lenders who demonstrated little knowledge of agriculture beyond corn-soybean production and conventional dairy. A number of recipients indicated that they could not obtain a conventional loan because their community banker was not familiar with organic agriculture. Other recipients stated that their banker required a higher interest rate for operating loans, making it too expensive for them to obtain financing.

Additional suggestions offered by STS producers for strengthening the local food system include:

- Building the distribution infrastructure for locally grown food.
- Season extension for fruit and vegetable production.
- Mentoring programs to enable people starting out in farming to tap into the knowledge base of experienced farmers.
- Additional incentives from government agencies and the private sector for consumers to buy locally grown food.
- Working toward a 1% check-off for organic produce that would support disaster relief and low interest business loans.

Concluding Thoughts

Sow the Seeds has done an incredibly beneficial service to the sustainable and organic farmers affected by last August’s floods. The generosity and sincerity of giving has been felt by those that received it. The timeliness of the support has allowed farmers to try to put their lives back together. It has given them hope for a better tomorrow. But many uncertainties remain. A safety net from natural disasters for these small farming operations is far from being in place. The farmers themselves know this better than anyone, and find themselves caught between the forces of a changing climate and a government that seems unsympathetic to their plight and hard work.

But the hope and concern that was embodied in the community response to the August 2007 floods will not be forgotten. The farmer-recipients of Sow the Seeds Flood Relief support are showing the true spirit of human perseverance. Perhaps it is the spirit of altruistic giving that motivates those in dire circumstances to do great things and face insurmountable odds with grace and determination. The future holds many challenges for the local-organic-sustainable food system – but a seed of hope has been sown!