

Making the Old Economy the New Economy

Doug Peterson

This year I participated in a conference where one speaker stated that in 40 years the world will need 100 percent more food to feed the world, and 70 percent of this food must come from efficiency and improved technology.

If those numbers are accurate, farmers need to continue their production of good, high-quality food, but we also need to take advantage of the impending new economy right in front of us.

In agriculture, the old economy may indeed be the new economy.

During a University of Minnesota conference, it was stated that by 2030, we will have a perfect storm in which the demand for food, water and energy will outstrip the supply. For farmers, this presents us with both a challenge and an opportunity to create a new economy based on our ability to feed the world, protect water and land resources, and provide energy.

We can only meet this challenge and this opportunity if we seize the moment to adopt new technologies and use our creativity in food production.

Farmers have always been the stewards of land and water, those precious resources necessary for high quality and quantity food production. Now, we will see a new demand for conservation of water, and it will come about both in policy discussions and adoption, and in real-life practice.

This perfect storm, made more complicated by the ever-increasing world population, means that farmers and rural areas must now look at real answers and real solutions to meet the needs this storm places in our path. The new economy will

demand an independent domestic food supply for the United States, and a robust export economy to feed the world.

In the energy aspect of this new economy, we have taken steps to address the need with biomass, solar, wind, ethanol and biofuels. These, too, must have a solid independent supply for domestic use, and a potential for export as well.

The United States has a large rural land-base, and a significant farmer base to provide these critical resources of food and energy for this new economy. At the same time, we will be charged with an increased guardianship and stewardship for water resources. It will mean new technology development and implementation, and potentially new growing, cropping and harvesting systems. It may demand the creation of new jobs, underpinned by the conservation of water, and increasingly sustainable and measurable energy production.

Moving toward this new rural and agricultural economy requires investment at both the public and private levels. Much of the groundwork to do this has already been created in past congressional farm and energy legislation with biofuels, wind, and with the Renewable Electricity Standard and Renewable Fuels Standard requirements.

Our rural areas are the foundation of this new economy. Now, it will take hard work, and cooperation and leadership, from everyone from elected leaders to land owners, to conservationists, to all of us. We each have a role to play to bring this new economy to maturity.

To succeed, there will be requirements on how we produce energy; how we conserve and protect water; and how we grow and produce food. These requirements must be science-based, and common sense-based, forged and developed in transparency and open dialogue and debate. While moving toward a new economy with a new jobs model may test the patience and dedication of all involved, it is not only worth it, it may be our only choice.

As farmers and rural people, we must insist on being at the table as this new economy evolves. Independent farmers and rural citizens should control the direction of food production, energy, and water conservation.

The bottom line is that we as farmers will do our part. We have always done so. That is why the new economy — with its dependence on the full and active participation of the agricultural sector — will look a lot like previous economies: it will be food based, water and land protection based, with the participation of rural people. It will succeed because in the end result, farmers will do our part.

Without full farmer and rural participation, we would just have production without profit, production without protection, production at the expense of a socially and financially disadvantaged rural area, and a failing economy.

Using biofuels for energy would provide Minnesota businesses with profit delivered to our local sectors, fostering a healthy business climate throughout rural Minnesota that would create jobs that would enhance tax structure and economic future of all of Minnesota, yet be independent of the downturns and recessionary trends we have experienced because of our dependence on foreign goods, foreign energy and foreign capital.

Developing Minnesota industry and businesses based on Minnesota energy will avoid recessionary trends, which deprive rural Minnesota, and the whole state, of economic growth.

Property taxes have been going up dramatically for most of rural Minnesota over the last eight years, sometimes as much as 100 percent, and that has happened more than once for some farmers. We need to get control over tax cuts that end up dramatically increasing property taxes. It is simple to understand that if taxes are cut on the state level, that taxes increase on the local level, and there needs to be some common solutions to the problems of ever-increasing local property tax.

We need programs that help farmers enter and exit farming. We need to keep farmers on the land, and as independent operators, making sure that those exiting have the ability to transfer farm ownership to the next generation of farmers. As United States Department of Agriculture Secretary Tom Vilsack stated, anyone can grow up to become a lawyer or a doctor, but not everyone can grow up to be a

farmer. Family farmers are conscientious of their practices and of the products they deliver. The food they raise is the food they eat, delivering a quality product at great financial risk. That is why we need to keep programs like the Rural Finance Authority around with the full capacity to help community banks support our current farmers and those who want to enter farming.

Resources must be made available to keep young people in rural Minnesota. Broadband accessibility and adequate and affordable healthcare are a couple of the biggest needs.

To have a real, new, rural, agricultural economy means we will take the reins, we will insist on helping create and drive this new economy, and we will, as Minnesota Farmers Union, fight for the economic interests and quality of life for family farmers and rural communities. The stark reality is that farmers can do everything right when it comes to crops being planted and marketed, but Mother Nature always bats last and always bats clean up. Farmers must swing for the fences and hit a homerun if they are to continue to farm and provide for their families while supplying a safe, abundant, affordable food supply for this state, country and the world.