



COACT organizes farmers to meet with Ag Commissioner on Corp. Farm Law impropriety

Co-ops, groups urge Commissioner to beware of corporate control

When a multi-thousand cow dairy operation is allowed to concentrate milk production at 30% in an area, family dairy farms are cut off from the market, members of co-ops and farm groups told Minnesota Agriculture Commissioner Dave Frederickson April 10 at a COACT-organized meeting in Buckman, Central Minnesota. Twenty farmer members participated.

Compounding the problem of corporate control, the farmers said, is vertical integration (ownership of production and processing by the same corporation) which the Minnesota Corporate Farm Law was enacted to protect family farms from.

However, big agri-business interests have been challenging the Law over the years through provisions in it called Commissioner's Exemptions that, the farmers claim, have been inappropriately granted by Commissioners to particular multi-thousand cow operations since 2002.

COACT leader Stephanie Henriksen brought this to COACT's attention in 2012 when she opposed in the public comment process an exemption for a particular 3000-cow operation that would negatively impact the area's family dairy farms.

A legal analysis in 2013 by the Farm Legal Action Group (FLAG), upon COACT's request, found the exemptions for the dairy operation and another one to be improper under the Law because (1) they fail to qualify as family farms, and (2) they adversely impact family dairy farms through concentration and control of milk production.

Learning from COACT of these improper exemptions, the co-ops and groups joined COACT last November in a letter recommending to current Agriculture Commissioner Frederickson that future exemptions undergo closer scrutiny in the granting protocol.

Joining COACT in the recommendation are Elmdale and Sunrise Co-ops, Land Stewardship Project (LSP), and Sustainable Farming Association Central Chapter.



Members of Elmdale and Sunrise Co-ops, LSP, and COACT in Genola Jan. 28 prepare family farm terms for presenting their recommendation on exemptions to the Commissioner on Apr. 10.

Exemption opens up discussion on the diverging models of agriculture

Although agriculture in Minnesota has been diverging into two different production models- large corporations and family farms- it took the exemption issue for the farmers and the Commissioner to openly discuss the differences and consequences at the April 10 meeting.

Elmdale Co-op manager Amy Swanson said her co-op's 54 family dairy farms averaging 70 cows per farm are struggling to stay in business without generous government subsidies, volume premiums, tax and insurance breaks, and other benefits received by multi-thousand cow operations. Without family farms, our co-op goes out of business and Elmdale loses its biggest employer of nine workers, she said.



Commissioner (top left) hears concerns and recommendations from the farm groups. Paul Sobocinski, LSP, (top right) reviews the Law.



Pictured right to left: Lee Johnston, pres., Carol Schmidt, sec., Morrison County Farmers Union; Rod Boser, member, Sunrise Co-op and COACT; Charlie Quick, vice pres., COACT; and Mike Gerads, pres., Amy Swanson, mgr., Elmdale Co-op at head of table

Sunrise Co-op president Calvin Beumer said the concentration of production by multi-thousand cow operations in Western Minnesota has eliminated the need for dairy co-ops in that region. We don't want to see that happen to Central Minnesota co-ops which depend on average-size family dairy farms, he said.

This creates a statewide concern, to which the Commissioner agreed. But whether or not it can be addressed by the Corporate Farm Law, or remain the responsibility of county citizens using local permitting went unresolved. (Continued other side.)

Commissioner responds to group's recommendation on exemptions

Because the Commissioner's exemptions in the Minnesota Corporate Farm Law have opened it up to conflicting opinions over the meaning and socio-economic value of family farming, LSP's Paul Sobocinski cited its basic purpose to remind everyone:

It is in the interests of the state to encourage and protect the family farm as a basic economic unit, to insure it as the most socially desirable mode of agricultural production, and to enhance and promote the stability and well-being of rural society in Minnesota and the nuclear family.

To affirm this, Lee Johnston and Carol Schmidt of Morrison County Farmers Union presented Minnesota Farmers Union policy which opposes vertical integration (ownership of production and processing by the same corporation) and supports public hearings on proposed exemptions with 60-day notices.

30% concentration sends red flag

The Commissioner acknowledged the vertical integration issue and the potential for some operations to concentrate production from 20% to 30% to adversely impact existing family dairy farms.



Commissioner Frederickson responds to the farm groups' recommendation for closer scrutiny of proposed exemptions.

He agreed that a corporation's concentration of production reaching 30% sends up a red flag that will require him to more closely scrutinize and evaluate applications for exemptions.

However, he wasn't sure of how to handle public hearings on proposed exemptions and the required annual reviews on them which are done in-house.

He said the exemptions in the Law are generally necessary to allow flexibility for routine estate planning and specialty farming, which has kept the Law in tact in today's multifaceted agriculture. However, the groups maintained that the exemptions in question crossed the line to allowing vertically-integrated operations.

He agreed that the language in Minnesota's Law makes it a very special piece of legislation because it clearly states the social and economic benefits of family farms to rural communities and the state. For these reasons they need to be protected.

Equal opportunity farming is needed to sustain communities

Rather than excluding people from farming, opportunities should be made available to include more beginning farmers, COACT President Sister Ruth Lentner advised the Commissioner at the afternoon community meeting following the morning's meeting on exemptions. They were held at St. Michael's Church.

As a board member of the Sustainable Farming Association Central Chapter, Sister Ruth said agriculture should not exclude the different kinds of farming that people want to do, such as growing vegetables on a few acres or milking a small or mid-sized dairy herd.

The Minnesota Department of Agriculture (MDA) should help provide equal opportunity to allow diversity to bring in more people, she advised. Prioritizing large-scale operations harms rural society and the economy by limiting the diverse kinds of agriculture and the many more people who want to enter farming who would add to the economic base, she said.

Paul Sobocinski, LSP, explained programs at MDA designed to help accomplish this, which the co-ops could learn about and help implement for their farm members and their communities.



COACT President Sister Ruth Lentner (right) advises against MDA prioritizing large operations to the exclusion of diversified farming.



Everyone enjoys a farm lunch provided by the Franciscan Sisters.

Should size matter, if the farm is family-owned and worked? A farmer said his family grew their small farm to a successful 1000-cow herd, so size shouldn't be an issue. Acknowledging this, another farmer asked him how he felt about vertically-integrated operations where the work is done by non-family members. Will these corporations replace farm families on the land?