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PRESS RELEASE

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IATP Meets With Milan Community Leaders

Rural Communities Are Coming Together To Reverse Decades Of Decline

Milan, MN – More than a dozen community leaders, farmers, and business men and women met with representatives of the Institute for Agriculture and Trade Policy (IATP) to share ideas, concerns and solutions on the future of rural communities and how to reverse the decline in population, economic activity, and social wellbeing.

Milan is a small town of just over 325 people located on the western edge of central Minnesota, close to the South Dakota border. A self-described Norwegian Lutheran town, Milan recently celebrated its 125 anniversary with a highly successful fair and parade that attracted over 500 visitors, including many of the children of Milan who have moved away to find jobs and new families.

With the anniversary celebration over, the media and visitors gone, Milan was back to being a quiet prairie town when IATP's staff arrived. IATP is based in Minneapolis and since its founding in 1986, has worked closely with farmers and rural communities to understand and develop local, national and international policies that will strengthen rural communities.

Jim Kleinschmit of IATP said,

Every rural town has unique strengths and to find solutions you need to build on what they have - sometimes, the greatest asset is the energy of the people living there.

The meeting in the Town Hall was a mutual exchange of ideas. IATP needed to hear what was on the minds of farmers and rural residents and the Milan community leaders wanted ideas and solutions to help them overcome the problems that threaten the future of their small town.

The discussion started with CAFTA and what impact the recently approved Central American Trade Agreement would have on Milan sugar beet farmers. IATP had played an active role in opposing CAFTA based on research that CAFTA would threaten the USDA Sugar Program and lead to steep reductions in the price of sugar. The introduction of imported sugar for use in making ethanol could negatively impact corn prices.

There was general agreement that the high cost of farming and low commodity prices make it hard for new farmers to get started and also encouraged larger and larger farms. The group acknowledged the trend to increase farm size, but also that there was space to find "niche" markets for specialty crops.

The role of ethanol production from corn and other uses for traditional row crops and other non food crops became a lively topic of discussion. Milan residents had first hand knowledge of the risks and rewards from these new technologies and the hope that their production will form the basis of a new rural economy. Jim Kleinschmit, the director of IATP's Rural Communities Program and co-author of the just

released, *Cultivating a New Rural Economy: Assessing the Potential of Minnesota's Bioindustrial Sector*, gave examples of other communities that have put together a number of these new technologies to create jobs and diversify the local economy.

New bioenergy and biomass technologies open up possibilities for new businesses that capture wealth at the local level and encourage young people to stay or return to small towns like Milan. This possibility has been absent from the low-wage corporate jobs that often take more out of a rural community than they put in.

As the discussion moved closer to Milan, and the challenges it faces, the Milan residents had fewer differences. The declining population and corresponding declining tax base reflected the lack of living wage jobs and opportunities to farm. The spiraling cost of healthcare was seen as a serious impediment to creating new jobs. Several participants were critical of efforts in the last legislative round to eliminate MN Care, a healthcare program for impoverished Minnesotans.

On the positive side, Milan, like many rural communities, has strong traditions and leaders who are deeply committed. These are the visionaries and the risk-takers. But most importantly, these are the people who believe in working together with their neighbors.

IATP's Rural Communities Program staff identified a number of positive indicators that will help it succeed:

- Leadership that understands the importance of cooperation;
- A vibrant arts community;
- Annual events to bring new people and those who have moved away back home;
- Abundant natural resources, wildlife, birds, hunting and fishing opportunities;
- A core of new pioneers willing to try out new ways of farming and doing business; and
- Financial resources for start-up ventures.

The IATP staff was grateful for the time and information provided by the Milan community leaders. Researchers and policy advocates need to be grounded in realities of the community they represent, and in return, need to develop policy options that will benefit small towns and the farmers in Milan. In the end, it was agreed that while there are no easy answers, Milan was a community that had the will and the talents to overcome the challenges. IATP was ready to help in whatever way it could.

The Institute for Agriculture and Trade Policy works globally to promote resilient family farms, communities and ecosystems through research and education, science and technology, and advocacy.