Section 6: The Midwest

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For those seeking to link private land conservation with the health of rural economies, the Midwest presents some of the most substantial challenges in the United States. Across much of the region, the dominance of intensive monocrop agriculture has had a severe impact on landscapes and natural resources, while also creating barriers—in the form of both policies and prevailing perspectives—that hinder the development of new economic paradigms.

Yet the Midwest is far from monolithic, and conservation organizations are finding ways to make inroads in the region. They are protecting, restoring, and demonstrating the economic value of the region’s forests, prairies, lakes, and waterways. They are also working alongside industry, farmers, and rural communities to pioneer new approaches to mitigating the impacts of agriculture. Finally, they are building one of the country’s fastest growing and most community-oriented clean energy economies.

For the purposes of this background paper, we define the Midwest as encompassing Minnesota, Iowa, Wisconsin, Illinois, Indiana, Michigan, Ohio, eastern North and South Dakota, and a portion of the Canadian province of Manitoba.

The paper is organized into three parts. The first section provides context on the Midwest, and the second section delves into the details of five economic sectors where there are opportunities for connecting conservation and rural development goals. Finally, the third section poses a few questions for discussion, suggests resources for further reading, and lists organizations doing interesting work in the Midwest.

6.1 People

The Midwest is one of the most rural and slowest growing regions in the country (Johnson, 2012; Economic Research Service, 2012). Between 1980 and 2010, most Midwestern states saw only minor population increases and at least one state – Michigan – registered a net population loss in the past decade (U.S. Census Bureau, 2010b). The U.S. Census Bureau has projected that these growth trends in the Midwest will continue to 2030, with all states in the region experiencing growth that is at the lower end of the national spectrum (U.S. Census Bureau, 2004).

For rural areas, population trends depend heavily on location. Overall, rural population growth lags behind the national average of 4.2%, and several states in the region have
registered net negative rural population growth over the last decade, reflecting high youth out-migration (Johnson, 2012; Economic Research Service, 2012). This trend is most pronounced in western Iowa and in North and South Dakota, which border on the drier and much less densely populated Great Plains Region (U.S. Census Bureau, 2010a). Yet a number of Midwest counties have also experienced large, sometimes double-digit growth in recent years. In these cases, proximity to cities or immigration of older people to areas with high natural amenity values are the major forces driving population shifts.

One notable area is the Upper Great Lakes region, where both of these growth-increasing trends occur. Michigan’s Grand Traverse County, for example, is rich in natural amenities and has seen major growth (gains of 64%, 20%, and 12% between 1970 and 1990, 1990 and 2000, and 2000 and 2010, respectively) over the last four decades (Johnson, 2012).

In terms of ethnic diversity, the Midwest remains one of the more homogenous regions in the country. A few counties—most notably those near reservations in northern Minnesota and Wisconsin—have American Indian populations exceeding 10%, and a handful of counties spread across the region have Hispanic populations exceeding 10%. For the most part, however, the rural parts of the Midwest are predominantly non-Hispanic white (Johnson, 2012).

### 6.2 Economy

The Midwest has rebounded from being one of the regions hit worst by the recent recession to being one of the bright spots in the economy. According to a Bureau of Economic Analysis report that broke down state GDP growth for 2009-2010, most Midwest states saw growth that year that either matched or exceeded national averages (U.S. Bureau of Economic Analysis, 2011). Since then, recovery in the manufacturing sector has continued to bolster Midwestern cities, while high crop and land prices, along with a strong energy sector, have contributed to stable or growing per capita incomes in rural areas.

The rural Midwest economy depends heavily on agriculture, with most states having a majority of their land area under cultivation. The most intensely agricultural states are South Dakota (90% of land area used for agriculture, as of 2007), North Dakota (89.8%), Iowa (87%), and Illinois (75.4%) (Economic Research Service, 2012). In recent years, dramatic increases in crop prices and land values, driven both by global demand for food and ethanol production, have made agriculture an even more important economic driver for the Midwest. To take Iowa as one example, in February, 2012, the Ames Tribune reported that farmers in the state will be “planting the biggest corn crop since World War II, taking advantage of the highest agricultural prices in at least four decades” (Wilson and McFerron, 2012). Meanwhile, 2011 saw the highest percentage increase in Iowa land prices in recorded history, as well as the highest statewide average price per acre ($6,708) of farmland (Testa, 2012).

But the connection between gross agricultural receipts or land values and rural livelihoods is not as clear-cut as it may seem. Since the mid-1960s, even as per acre yields have doubled for some crops, agriculture has become less labor-intensive, meaning it provides fewer jobs than it once did (Testa, 2012). According to a typology of counties produced by the U.S. Department of Agriculture’s Economic Research Service, only a handful of counties
outside of North and South Dakota today have 15% or more of their total earnings or jobs coming from agriculture (Economic Research Service, 2012).

One sector that has counter-balanced decreasing farm labor needs is manufacturing, which has spread further into rural areas of the Midwest. Much of this manufacturing is related to processing agricultural products, such as food, ethanol, and dairy. Thanks in large part to the influence of manufacturing, per-capita income growth in the rural Midwest has closely tracked urban growth, despite substantial changes in the agriculture industry (Testa, 2012).

**Change in Manufacturing as Share of Income for Rural Midwestern Counties, 1969 and 2009**

![Map of change in manufacturing as share of income for rural Midwestern counties, 1969 and 2009.]

*Source: Federal Reserve Bank of Chicago*

In addition to agriculture and manufacturing, recreation and tourism are important for sustaining rural economies in certain parts of the Midwest. This is particularly true in the northern parts of Michigan, Wisconsin, and Minnesota close to the Great Lakes; in a small part of central Wisconsin; and along certain sections of the Missouri River in North and South Dakota (Johnson, 2012).

Finally, while it is not as large an economic driver as in other regions, forestry plays a role in sustaining rural communities in the more northern parts of the Midwest (The Conservation Fund, n.d.).

### 6.3 Place

For most Americans, to think of the rural Midwest is to think of a land of cornfields and churches, small towns, and endless straight roads. While there is some truth in this vision, the reality of the region belies its reputation as an undifferentiated “agricultural heartland.”
Across the Midwest, diverse landscapes and diverse communities produce both challenges and opportunities for conservation organizations.

Even within the Midwest’s agricultural core — where a deep agrarian history, high land prices, and extensively altered landscapes present an overarching set of challenges — varying local contexts have led conservation organizations to pursue different tactics. In areas near rivers and streams, for instance, initiatives like the Conservation Marketplace of Minnesota are looking towards environmental markets as a way to lessen agriculture’s impact on water quality while simultaneously bolstering rural economies. In other places, conservation organizations such as the Iowa Natural Heritage Foundation have gained traction in heavily agricultural landscapes by targeting and restoring old railways to trails, an approach that provides refugia for wildlife and outdoor recreational opportunities for community members. In still other areas, conservation organizations continue to pursue a more traditional approach to land protection, identifying and seeking to protect and restore remnants of prairies, savannas, and other uniquely Midwestern landscapes and ecosystems.

Conservation leaders interviewed for this background paper also noted that the character of human communities varies tremendously across the Midwest, with important conservation ramifications. For example, in Iowa, many rural communities are oriented toward large-scale commodity crop production, making initiatives to diversify and improve farming practices difficult to implement. Yet strong ties to a unique Norwegian settlement history and the presence of Luther College, for instance, have helped make Winneshiek County, Iowa, the center of a vibrant regional food scene.

The Midwest is also diverse in that it encompasses much more than an agricultural core. In the north, intact forests, extensive lake systems, and a relatively large amount of publicly held land create opportunities for conservation initiatives that bolster rural economies through sustainable forestry, tourism, and environmental markets.

Other parts of the Midwest contain unique landscapes. Southern Illinois, for example, is home to extensive cypress and tupelo swamps. Such natural features have been the setting for tense relationships between conservation organizations and rural communities in the past, but they also hold potential for new partnerships in the future.

6.4 How Can Conservation Organizations Help Support Rural Economies in the Midwest?

Agriculture

In the Midwest, agriculture poses vexing challenges for those aiming to connect private land conservation and rural economic development. Commodity crop production is both extensive and intensive, and the better part of several Midwest states have been entirely transformed by monocultures of corn, soybeans, and wheat. Moreover, a number of factors — from federal subsidy programs to high global food prices — reinforce the dominant agricultural paradigm.

There can be little doubt that agriculture as it is currently practiced in the Midwest has substantial negative effects on wildlife, soils, and water resources. But how can private land conservation and other environmental organizations counteract the effects of “Big Ag” in a way that does not put them at odds with rural communities?
One answer is that conservation organizations can help producers implement improved farming practices and facilitate the development of smaller-scale food economies. Numerous non-profit organizations are already working across the Midwest to provide the technical assistance farmers need to access funding for and implement sustainable agriculture initiatives.

Private land conservation organizations also have a critical role to play in helping new farmers get established. By linking new farmer and sustainable agriculture training, some initiatives, such as the Farm Beginnings program in Minnesota, are having success in launching a generation of value-added operations.

### Helping New Farmers Get Started: The Land Stewardship Project’s Farm Beginnings Program

One major barrier to sustaining rural economies through local and regional food networks in the Midwest is a lack of new farmers. For years, the Midwest farm operator population has been aging; in Minnesota, the average age is now 55.3 years. As a result, relatively small farms are increasingly being subsumed into larger, more industrial, and often absentee-owned operations. Small towns, meanwhile, must contend with the pernicious economic effects of high youth out-migration.

A recent survey of 1,000 young farmers conducted by the National Young Farmers’ Coalition (NYFC) identified access to capital, affordable land, and affordable healthcare as the three main barriers that prevent young farmers from succeeding. The NYFC also recommended a number of policy changes—from expanded tax credits and educational and conservation programs at the federal level, to grants and marketing help at the state and community levels—to help new farmers get established.

Across the Midwest, various organizations are working to address the issues identified by the NYFC. One representative program is the Minnesota Land Stewardship Project’s Farm Beginnings Program. Farmers who enroll in the ten-month program learn about low-cost approaches to sustainable agriculture, including everything from actual farming techniques to financial planning and alternative marketing. To date, the program has been successful, if somewhat limited in scale. Sixty percent of graduates from the first eight years of the program are still farming across 6,000 acres. The program has recently spread beyond Minnesota to a number of other states.

For more information see:
- The Land Steward Project’s Farm Beginnings Program: [http://www.landstewardshipproject.org/farmbeg.html](http://www.landstewardshipproject.org/farmbeg.html).

The private land conservation community’s role in expanding sustainable agriculture in the Midwest extends beyond direct assistance for farms and farmers. There is also a need for analyses of regional food systems, support for small-scale agricultural product processing, and marketing and market facilitation necessary to connect rural producers with urban
consumers. In the context of the Midwest, a single organization with a holistic perspective on agricultural issues can have major impacts in both the conservation and economic development arenas. The Leopold Center for Sustainable Agriculture is one example of several such groups operating across the Midwest.

A New Kind of Land Grant Program: The Leopold Center for Sustainable Agriculture

Based out of Iowa State and funded by state education appropriations as well as fees assessed on nitrogen and pesticide registrations, the Leopold Center for Sustainable Agriculture has become one of the Midwest’s most important clearinghouses for information on new approaches to agriculture. The Leopold Center conducts its own research on issues such as nitrogen management, food systems, and rotational grazing, and it also maintains a robust grant program that funds 35 to 45 new projects per year. Examples of current grants range from $86,000 to study the complex role of tall fescue in grassland ecology to almost $40,000 for research related to involving new immigrants and migrants in local food systems.

In addition to education and grant making, the Leopold Center has convened a number of special issue “working groups.” Examples include the 16-member Regional Food Systems Working Group; the Iowa Land Tenure Working Group; and Green Lands, Blue Waters, an initiative aimed at improving the health of waterways by introducing more perennials and continuous cover crops into agricultural landscapes. Each working group brings together a broad partnership of individuals and organizations to focus on approaches to making advancements in a particular topic area.

For more information see: http://www.leopold.iastate.edu.

Initiatives like those described above have had a substantial positive effect in the Midwest. For each of the last 20 years, the Minnesota Department of Agriculture has increased the number of local producers in its Minnesota Grown database, which now includes more than 1,000 farmers and ranchers (Minnesota Rural Partners, 2011). Even in the most commodity-oriented states, local food programs are now the rule rather than the exception.

Despite the progress that has been made, however, it is important to recognize how dominant conventional agriculture remains in the Midwest. Minnesota has some 50 million acres of farmland, only about 120,000 of which the U.S. Department of Agriculture classifies as organic (Economic Research Service, 2012). Despite having what are arguably some of the world’s best agricultural soils, Iowa imports 86% of its food (Economic Research Service, 2012). Across the Midwest, only 4.6 acres per 1,000 people are devoted to fruit and vegetable production, a number far lower than the national average of 9.1 acres per 1,000 people (Swenson, 2010). Making sustainable agriculture work for both rural economies and the environment will require that conservation organizations find creative approaches to effecting change in every arena, from federal policy to local prairie buffers.
One example of how holistic approaches to agricultural problems may create change at large-scales comes from the International Institute for Sustainable Development, which is working in the region around Lake Winnipeg in Manitoba.

Lake Winnipeg is one of Canada’s most beautiful and economically important water bodies. It is also widely recognized as the most polluted large lake in the world, a product of nutrient runoff from its nearly 400,000 square mile watershed. Given that two-thirds of the nutrients flowing into Lake Winnipeg come from non-point agricultural sources, the task of cleaning up the lake — and of mitigating the flood and drought problems that are expected to severely impact area farmers as climate change advances — can seem hopelessly complex. Yet for the International Institute for Sustainable Development (IISD), Lake Winnipeg presents a chance to turn a challenge into an economic opportunity.

Recently, the IISD hosted The Lake Winnipeg Basin Summit, a gathering of 150 scientists, policy makers, business people, and civil society leaders. The group was asked to answer the question: “How do we create and take advantage of Manitoba’s economy while reducing nutrient loading within the Lake Winnipeg Basin?” Among the important ideas to emerge from the conference was the principle that Manitoba can and should take the lead in reducing nutrient runoff, despite the fact that the basin crosses several jurisdictions and the notion that Manitoba may actually be fortunate to have such large amounts of phosphorous. In regard to the latter, it was suggested that it may not only be possible to capture nutrient runoff using plantings along waterways,
Beyond promoting sustainable agriculture, it is worth noting that conservation organizations in the Midwest can contribute to rural economies and improve environmental quality by leading efforts to restore former agricultural lands. Though restoration is made necessary by the degradation of the landscape, it also provides jobs and builds community. Indeed, the Midwest has become a hub for research on ecological restoration and collaborative large-scale restoration, particularly in prairie ecosystems.

**Forestry**

Though forestry is not as dominant an economic sector in the Midwest as it is in the other regions of the U.S., it still contributes a great deal to rural economies. It is also a sector that has seen major changes in recent decades, leading to a need for new ways of thinking about both forest conservation and economies based on forest products. As in other regions of the U.S., the dominant trends in the Midwest’s forests have involved:

- Drawdowns in harvests on both public and private lands;
- Declining competitiveness of the timber industry vis-a-vis the global market; and
- Fragmentation of private lands into smaller parcels.

For the purposes of this paper, the last trend is particularly noteworthy. Traditionally, large integrated paper and pulp companies owned many private timberlands in the Midwest. Starting in the mid-1990s, however, these companies began to sell off their lands, primarily to Timber Investment Management Organizations (TIMOs). In Minnesota, for instance, roughly one third of industrial timberland has been sold in the past 20 years (The Conservation Fund, n.d.). At the same time, rising land prices and immigration for natural amenity values have led to increased development of non-industrial private timberlands. As a result, large acreages of unbroken timberland are increasingly threatened by development and parcelization (The Blandin Foundation, 2009).

**The Lyme Timber Company’s St. Croix-Brule Headwaters Forest Purchase: When TIMOs Lead the Conservation Charge**

At first glance, the Lyme Timber Company’s recent purchase of 72,800 acres of Wisconsin timberlands, plantations, and pine barrens from Wausau Paper seems to fit the trend of
TIMOs buying industrial timberland for development. Lyme Timber is unique, however, in that selling conservation easements is a core part of its business model. The company is currently working with The Conservation Fund and the Minnesota Department of Natural Resources to ensure that working timberlands will remain as working forests, even after being sold to other landowners. These lands will be protected from development and continue to contribute to the Minnesota timber economy.

Statistics on the St. Croix-Brule property highlight the importance of stemming the parcelization of Minnesota’s northern forests and the value of the working conservation easement approach to land conservation. The territory encompasses 83 lakes and 14 streams and is the largest private property in a three county area where tourism generates nearly $350 million of economic impact annually. Under Wausau’s ownership, the working forest supplied forest products to more than a dozen processing mills.

For more information see: http://www.lymetimber.com/.

Conservation organizations working in the Midwest have seen an opportunity to simultaneously protect forestlands from division and development and contribute to regional timber economies. Working conservation easements in particular have quickly gained ground as a tool of choice. Prior to 2005, the biggest easement project in Minnesota protected only about 3,100 acres of industrial timberlands. Since then, however, The Conservation Fund and partner organizations have purchased one Minnesota working conservation easement covering some 51,000 acres of TIMO-owned land and another, covering 188,000 acres, to be held by the Minnesota Department of Natural Resources and the Blandin Paper Company (The Conservation Fund, n.d.). Similarly, the Michigan Department of Natural Resources and Environment recently partnered with The Nature Conservancy to purchase a 247,803-acre working conservation easement on TIMO land (Michigan Department of Natural Resources, n.d.).

Working forest conservation easements have proven remarkably successful in the Upper Midwest. In addition to protecting conservation values, these easements ensure the continued existence of timber industries that can support rural economies. Nonetheless, conservation organizations will need to look to new tools and for new opportunities as time goes on. In particular, they will have to find ways to help revitalize and diversify the Midwest timber industry, bridge a growing capacity gap for management of public lands, and provide incentives that prevent the development of non-industrial private lands. Both the Pacific Northwest and Southeast regions may provide some lessons that will help conservation organizations working on forest issues in the Midwest.

Energy

The Midwest’s ample land, wind, biomass, and solar resources make it a region with enormous potential for developing new rural economies centered on renewable energy production. Indeed, the region has shown early leadership in adopting state-level policies that have driven renewables forward. Minnesota, for instance, has a Renewable Energy Standard that requires its utilities to meet high percentages of demand via renewables, as well as policies
that specifically encourage the development of community-owned wind facilities. As a result, the state boasts the nation’s fourth largest installed wind power capacity, and the greatest installed capacity of community-owned wind power (Bolinger, 2004; The Pew Charitable Trusts, n.d.; Wörlen, 2010). Additionally, the Midwest is home to some of the country’s first and largest renewable energy development networks such as RE-AMP, a coalition of 144 non-profits and foundations working in eight Midwestern states to reduce greenhouse gas emissions in the region by 80% by 2050 (Re-Amp Network, 2012).

However, even as the Midwest’s energy economy grows, it still makes up a small part of the overall energy mix in the region. Coal remains king, accounting for anywhere from 50% to more than 90% of electricity generation in states across the Midwest (Wörlen, 2010).

For groups looking to simultaneously achieve conservation and rural economic goals in the Midwest, renewable energy presents both challenges and opportunities. Renewable energy can play a crucial role in sustaining rural economies and environmentally friendly farming operations; at the same time, the need for undeveloped land, for wind power in particular, could bring renewable energy development into conflict with conservation goals related to protecting habitat or avian migration routes.

It is also possible to develop renewable energy in a way that does little to benefit rural economies. As a recent report comparing renewable energy development in the Midwest with Germany noted, U.S. policies tend to favor the development of large-scale, utility-owned renewable energy projects, which provide less value for local communities than their community-owned European counterparts (Wörlen, 2010). Across the Midwest, there is a major need for organizations and coalitions that can work to align conservation and renewable energy goals, assist rural communities in accessing existing renewable energy options, and push new renewable energy policies that have a maximum benefit for rural economies.

In terms of siting solar and wind projects, both environmental and rural economic development organizations stand to gain from taking a proactive approach. For conservation organizations, taking a leading role in developing siting rules is an opportunity to minimize the impact renewable energy development has on wildlife and key landscapes. For groups more concerned with economic development or creating resilient rural energy systems, creating uniform siting rules is essential to preventing unnecessary holdups on renewable energy initiatives.

As groups like The Conservation Fund, the Michigan Land Use Institute, and Renew Wisconsin have shown, there are many possibilities for shaping renewable energy development in a way that simultaneously protects wildlife and advances development goals.

The Conservation Fund: Uniform Wind Siting Across the Midwest

Because no federal regulatory agency oversees wind power projects, wind project developers—be they utility companies or communities—must often contend with a multitude of state and local regulations. In the Midwest, this has led to a situation in which regulators are alternately accused of unnecessarily slowing the development of new power projects and of failing to sufficiently protect rare and endangered wildlife species.
Wind and solar development can also have a positive impact on both rural economies and conservation by contributing to broader efforts by communities to move toward sustainable agricultural systems. Renewable energy development can provide agriculturalists with an additional revenue stream that they can use to pursue organic or other improved agricultural practices. At the same time, generating energy for farms from renewable sources can add value to sustainably produced farm products. One of the world’s largest agricultural marketing co-ops, Organic Valley, is based in Wisconsin and runs an active program dedicated to helping member farms pursue renewable energy and energy efficiency retrofits. In addition to offering free energy audits and site assessments, the co-op helps farmers select an installer and access grants to overcome installation cost barriers (Organic Valley, 2008).

Another area where conservation, renewable energy, and rural economic development objectives dovetail is in the production of biodiesel or biogas from livestock or crop wastes. Wisconsin is currently leading the country’s young biogas-for-electricity market (Bilek, 2010). As with other forms of renewable energy, environmental and economic organizations alike have an important role to play in promoting policies that provide incentives that will help to develop biogas and biodiesel markets in a way that benefits both the Midwest’s natural landscapes and its rural economies.

Finally, it is impossible to speak about renewable energy in the Midwest without discussing ethanol. Corn ethanol has long been a controversial topic, for reasons ranging from the debate over its true greenhouse gas emissions compared to gasoline to its contribution to recent spikes in global food prices (Searchinger, 2008). In the Midwest, corn ethanol production has also helped to perpetuate the high land and crop prices that make conservation or the development of new agriculture and food systems difficult.

Yet the dynamics surrounding ethanol production began to change recently, when the U.S. Congress allowed a corn ethanol subsidy, which was worth roughly $6 billion in 2011, to expire. For now, ethanol demand and corn prices remain so high that land prices and production levels are unlikely to be substantially affected by the end of the subsidy, though this may change in the future (Pear, 2012).

For conservation and other environmental organizations, it will continue to be important to find ways to bring logic and data to bear on policy decisions related to biofuels. While corn ethanol has proven highly problematic, cellulosic ethanol, for instance, may in the future provide more sustainable opportunities for rural economies. Private land conservation
organizations will need to stay abreast of developments in this area and take care to find ways to protect natural resources while also supporting rural communities.

**Environmental Markets**

The Midwest was an early leader in the environmental markets field and continues to be at the vanguard of efforts to use markets to simultaneously sustain rural economies and improve environmental quality. Some of the first attempts at creating environmental markets focused on reducing the effects of agricultural runoff on regional waterways. Today, the nexus of agriculture and water remains the focus of most Midwest environmental markets.

The federal Clean Water Act forms the backdrop for the Midwest’s most active markets by requiring in-kind compensation for permitted, unavoidable wetland destructions. Wetland and stream banks are wetland or stream areas that have been restored, enhanced, created, or protected to compensate for wetland impacts generated by development projects elsewhere. The party responsible for creating an approved wetland bank can generate wetland credits, which they can then sell to a developer that needs the credits to come into compliance with Section 404 of the Clean Water Act. Wetland and stream mitigation banks are widespread, particularly in Minnesota, Illinois, and Wisconsin, where Ecosystem Marketplace tallied 119, 43, and 22 active or sold out banks, respectively, in 2011 (Madsen, 2011).

Water quality trading (WQT) is another environmental market that depends on the Clean Water Act. Over the years, the Midwest has been home to a number of small WQT systems. For example, the Southern Minnesota Beet Sugar Cooperative wanted to expand in the late 1990s but was not permitted to release the additional phosphorous that would be created into the lower Minnesota River. The Cooperative solved this problem by entering into an agreement whereby it paid beet farmers in the area to grow spring cover crops, thereby reducing their non-point phosphorous contributions to the Minnesota River (Environmental Protection Agency, 2008). Today, the Midwest is also home to one of the first major attempts at a multi-state WQT market.

**Water Quality Trading Across Borders: The Ohio River Basin Trading Project**

Part of the challenge of establishing water quality trading (WQT) markets stems from the fact that watersheds often do not adhere to jurisdictional boundaries. The Ohio River Basin, for instance, encompasses parts of eight states, ranging from Illinois to Tennessee. For this reason alone, the Electric Power Research Institute (EPRI) led effort to create an interstate WQT program along the Ohio River is highly ambitious. If successful, the initiative would become the world’s biggest WQT program and provide a market for upwards of 200,000 farmers, 46 power plants, and several thousand wastewater treatment facilities.

Though still in an early stage, the Ohio River Basin Trading Project has already had some successes. EPRI has been able to convene many of the numerous stakeholders involved, including large business players such as American Electric Power and Duke Energy, which have contributed a combined $400,000 in startup funds. The U.S. De-
In addition to trading systems for water quality, the Midwest is a hub for efforts to develop new multiple environmental credit trading schemes. Multiple credit schemes allow farmers or other land users to generate different kinds of environmental credits from a single parcel of land.

The most advanced multiple credit scheme in the Midwest is currently the Conservation Marketplace of Minnesota, which seeks to improve the health of three Minnesota watersheds. Eventually, participating landowners should have the option to engage in practices that generate not only water quality credits but also credits related to improving pollinator habitat, carbon sequestration, and a host of other ecosystem services. The program draws directly on the Willamette Partnership’s approach in the Pacific Northwest to allocating credits across a parcel, and it has an explicit goal of keeping farms working by improving practices rather than locking up land for conservation.

Despite early leadership, the Midwest is less advanced in the area of carbon markets. Until 2010, Chicago was home to the Chicago Climate Exchange, the first and only legally binding voluntary carbon market in North America. More recently, several Midwest states have pursued the development of a regional carbon market, but the so-called Midwest Greenhouse Gas Reduction Accord has yet to produce tangible results. This means that any carbon offset deals in the Midwest are likely to occur as one-off agreements. Given that much of the Midwest encompasses landscapes where carbon accounting is less well-developed than it is for forests, it seems unlikely that carbon markets will be a substantial boon for rural economies in the near future.

Similarly, conservation banking has yet to come into play in the Midwest. If the example of California—which leads the nation in conservation banking—is any guide, expanding conservation markets in the Midwest would require passage of state-level endangered species laws that fill a role similar to that which the Clean Water Act plays for wetland mitigation and WQT.
Tourism

Compared to regions like the Pacific Northwest and the Northeast, rural Midwest economies generally do not depend very heavily on tourism. That being said, some parts of the Midwest—such as counties in the Upper Great Lakes region—are among the most important and fastest growing natural-amenities areas in the U.S. Even in the agricultural core of the Midwest, communities and non-profit organizations are finding ways to link conservation and healthy rural economies via tourism. In general, regional leaders consulted for this background paper feel that tourism should become a more prominent part of conversations on linkages between conservation and rural economies.

One important point of intersection between conservation and rural economic goals in the Midwest centers on hunting and fishing. National sportsmen organizations such as Ducks Unlimited, Pheasants Forever, and Trout Unlimited have designated parts of the Midwest as major conservation priorities. For other organizations, such as The Conservation Fund and The Nature Conservancy, hunting and fishing opportunities are a byproduct of conservation rather than a primary objective. Regardless, hunting and fishing represent obvious areas where private land conservation and rural development goals can go hand-in-hand in the Midwest.

On a broader level, land conservation and tourism dovetail in the Midwest in the sense that conservation organizations can help to restore and identify high-natural amenity areas in the region. Indeed, private land conservation organizations working in the core of the Midwest regularly identify their mission as being focused on changing the perception that the area lacks natural beauty. Such organizations engage in educating citizens about the wild past of the region while also protecting or restoring prairies, streams, and other features that allow people to become reacquainted with native flora and fauna.

One unique feature of land conservation in the Midwest is its emphasis on trails. Though expensive to develop, trails allow land conservation organizations to reconnect people with nature—at once generating tourism dollars and refugia for wild species—in even the most heavily agricultural areas. An organization that has done substantial work in this area is the Iowa Natural Heritage Foundation.

Looking to the future, conservation organizations will need to better understand how their missions relate to tourism and how that relationship affects rural development or conservation goals. Understanding how conservation drives tourism can help conservation organizations demonstrate the value of their work for rural economies. On the other hand, it will be important for conservation organizations to be aware of, and work to proactively reduce, the potential negative effects of tourism, particularly in fast growing areas like the Upper Great Lakes.

6.5 Discussion Questions

• What other economic sectors, beyond those addressed in this paper, present opportunities for private land conservation organizations to support rural economies in the Midwest?

• In an environment where agriculture dominates and public policy often tilts against conservation, what are the most promising new tools for linking conservation and rural economic development? Is this even a valid question to be asking in the Midwest?
• How can conservation organizations help rural communities build the capacity necessary to reap economic benefits from restoration activities on public lands?

• What role can conservation organizations play in scaling-up environmental markets so that they serve as more useful tools for conserving rural landscapes and sustaining rural communities?

6.6 Organizations Doing Interesting Work

Center for Rural Affairs strives to establish strong rural communities, social and economic justice, environmental stewardship, and genuine opportunity for all while engaging people in decisions that affect the quality of their lives and the future of their communities. See www.cfra.org.

Chicago Wilderness is a regional alliance of more than 250 organizations that work together to restore local nature and improve the quality of life of all who live in the greater Chicago region. See www.chicagowilderness.org.

Conservation Marketplace of Minnesota is a collaboration of conservation professionals providing technical and administrative services for those engaged in developing emerging environmental markets. See www.cmp.sunstonecreative.com.

Electric Power Research Institute is an independent, non-profit company performing research, development, and demonstration in the electricity sector for the benefit of the public. The Institute has led an effort to create a major new water quality market in the Ohio River Basin. See www.epri.com.

Gaylord and Dorothy Donnelley Foundation invests in organizations and partnerships engaged in land conservation and artistic vitality in the Chicago region and the South Carolina Lowcountry. See www.gddf.org.

International Institute for Sustainable Development champions sustainable development around the world through innovation, partnerships, research, and communications. One of the Institute’s areas of focus is the Lake Winnipeg region in Manitoba. See www.iisd.org.

Iowa Natural Heritage Foundation protects and restores Iowa’s land, water and wildlife. See www.inhf.org.

Land Stewardship Project fosters an ethic of stewardship for farmland, to promote sustainable agriculture, and to develop sustainable communities. See www.landstewardshipproject.org.

Leopold Center for Sustainable Agriculture is a research and education center on the campus of Iowa State University created to identify and reduce the negative environmental and social impacts of farming and to develop new ways to farm profitably while conserving natural resources. See www.leopold.iastate.edu.

Lyme Timber Company is a private timberland investment management organization (TIMO) that focuses on the acquisition and sustainable management of lands with unique conservation values. See www.lymetimber.com
WHAT DO HEALTHY RURAL ECONOMIES LOOK LIKE IN THE U.S., AND HOW MIGHT CONSERVATION ORGANIZATIONS HELP SUPPORT THEM?

**Michigan Land Use Institute** works with citizens, officials, and other organizations to promote people-friendly, regional planning; healthy food from local farms; and Michigan’s leadership in the new green-energy and clean-water economy. See [www.mlui.org](http://www.mlui.org).

**National Young Farmers’ Coalition** works for young farmers by strengthening their social networks, helping them hone their skills through facilitation of peer-to-peer learning, and fighting for the policies that will keep them farming for a lifetime. See [www.youngfarmers.org](http://www.youngfarmers.org).

**Openlands** protects the natural and open spaces of northeastern Illinois and the surrounding region to ensure cleaner air and water, protect natural habitats and wildlife, and help balance and enrich our lives. See [www.openlands.org](http://www.openlands.org).

**Organic Valley** is the largest cooperative of organic farmers in the United States, and is based in La Farge, Wisconsin. See [www.organicvalley.coop](http://www.organicvalley.coop).

**Re-Amp Network** is an active network of 144 nonprofits and foundations across eight Midwestern states working on climate change and energy policy with the goal of reducing global warming pollution economy-wide by 80% by 2050. See [www.reamp.org](http://www.reamp.org).

**Renew Wisconsin** is dedicated to promoting economically and environmentally sustainable energy policies and practices in Wisconsin. See [www.renewwisconsin.org](http://www.renewwisconsin.org).

**Rural Policy Research Institute** provides unbiased analysis and information on the challenges, needs, and opportunities facing rural America, with a goal of spurring public dialogue and helping policymakers understand the rural impacts of public policies and programs. See [www.rupri.org](http://www.rupri.org).

**The Conservation Fund** works with partners across the country to demonstrate balanced conservation solutions that emphasize the integration of economic and environmental goals. See [www.conservationfund.org](http://www.conservationfund.org).

**Wetlands Initiative** is dedicated to restoring the wetland resources of the Midwest to improve water quality, increase wildlife habitat and biodiversity, and reduce flood damages. See [www.wetlands-initiative.org](http://www.wetlands-initiative.org).

6.7 Useful Readings/Works Cited


 WHAT DO HEALTHY RURAL ECONOMIES LOOK LIKE IN THE U.S., AND HOW MIGHT CONSERVATION ORGANIZATIONS HELP SUPPORT THEM?


