Committed to the future of rural communities

• Funding for
  – Business & Cooperative Development
  – Community Facilities & Rural Utilities
  – Water, Sewer & Solid Waste Systems
  – Single and Multi-Family Housing

• Loans, Guaranteed Loans, Grants

• Technical Assistance
  FY 2010: $1,324,415,527
  FY 2011: $993,023,255
Forums Produce Recommendations

January 2010 – 43 Forums
- Over 1,000 Californians Participated
- Consistent Recommendations Offered Throughout All of California
- Strong Partnerships Emerged

January 2011 – 58 Forums
- Almost 2,000 Californians Attended
- Gave Update on Activities and Shared New Economic Development Strategy
- Strong Support Received
- Many Requests for Collaboration
CHALLENGES

• Lack of Investments in the Rural Sector
• Credit Availability and Access is Limited
• Complex & Conflicting Regulations
• Workforce Training and Education
• Infrastructure Deficiencies

OPPORTUNITIES

• Demand for Local / Healthy Food
• Provide New Energy Sources
• Efficiencies Through Regional Clusters
• Potential for Jobs in Value Chains
Figure 3: 2011 California Agriculture Employers by Sector

- Agriculture Support: 1,446,232
- Agriculture Distribution: 585,014
- Agriculture Production: 206,303
- Agriculture Processing: 226,216

Source: EMSI Complete Data
### Projection: Agriculture Value Chain Occupation by Sector

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>2011 JOBS</th>
<th>5-YEAR NEW JOBS</th>
<th>AVG. HOURLY WAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support</td>
<td>1,446,232</td>
<td>183,018</td>
<td>$24.59</td>
</tr>
<tr>
<td>Production</td>
<td>206,303</td>
<td>-36,364</td>
<td>$23.34</td>
</tr>
<tr>
<td>Processing</td>
<td>226,216</td>
<td>5,173</td>
<td>$23.49</td>
</tr>
<tr>
<td>Distribution</td>
<td>585,014</td>
<td>29,913</td>
<td>$24.04</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>2,463,765</td>
<td><strong>181,740</strong></td>
<td><strong>$23.87</strong></td>
</tr>
</tbody>
</table>

**SOURCE:** CA Center of Excellence, “Agriculture Value Chain Scan”, June 2011
Biomass Value Chain Opportunities

Forest Products → Value-Added Wood

Woody Biomass
- Reduce Fire
- Produce Water
- Wildlife Habitat

Cost of Fires, Insurance, etc. → Ecosystem Credits → Tourism

Agricultural Waste
Municipal Waste

BIOMASS PRODUCTS
- OSB
- Pellets
- Heat
- Electricity
- Compost
- Biofuels
- BioChar
- Polymers
- Biochemicals

JOBS
- Trucking
- Manufacturing
- Distribution
- Storage
- Repair
- Distribution
- Management
- E-Commerce
- Support
- Research

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At least 65% of Value Chain Jobs & Economic Activity will be off the Farm – in our cities and rural communities.

An Urban – Rural Partnership

Dr. Glenda Humiston
February 3, 2012
Partners for Smart Growth
How Do We Get There??

“I THINK YOU SHOULD BE MORE EXPLICIT HERE IN STEP TWO.”
Industry clusters of opportunity:
similar, related, or complementary businesses linked by core products or services. These businesses are economically interdependent and may have common supply chains, labor needs, technologies, and markets.
Eastern Sierra Industry Cluster Study 2001-2010

Employment Concentration Relative to California 2001-2010

Average Annual Employment Growth 2001-2010

Source: EDD/LMD Quarterly Census of Employment and Wages (QCEW)

A project of the Desert Mountain Resource Conservation and Development Council

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• Regional Collaboration on Needed Infrastructure
• Strategies that Promote Investment in Rural Areas
• New Financial Tools
• Relationship Capital Among Diverse Stakeholders
• Empower Local Leaders and Institutions to Improve Policy
• Economies of Scale
  • Utilize Cooperatives
  • Connect Local Food Access With Transportation for Export
Roughly 2% of annual state job gains can be attributed to business relocations while most comes from:

- expansion of existing businesses – 42%
- creation of new establishments – 56%

Policy Supports Regional Food Systems

The San Francisco Foodshed
Study Area

Now Policy Needs to Evolve into...

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“Economic Gardening” nurtures the local economy rather than “hunting” for big business relocations.

• Help Existing Businesses Thrive & Grow
• Create Opportunities for Entrepreneurs
• Provide Value-Chain Infrastructure
• Improve Quality-of-Life Factors in Rural Communities and Regionally

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Numerous studies have shown a multiplier rate more than 3x: ...every dollar spent at the local store contributes three times the jobs to the local economy, three times the boost to income, three times the tax benefits...

Annotated list of studies available at: www.LivingEconomies.org
Power of the Multiplier Effect

Locally Owned Business
Spend $100 at a Local Business

$32 Leave Local Economy
$68 Stay in Local Economy

Your Dollars

Non-Locally Owned Business
Spend $100 at a Non-Local Business

$57 Leave Local Economy
$43 Stay in Local Economy

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The Value Chain Has Many Steps

Farm Inputs (Products & Services) → Farmers → Farmer Controlled Businesses → Marketing Businesses → Primary Processors → Manufacturers → Wholesalers → Retailers → Consumers

Food Service

SOURCE: California Food Processing: A Powerhouse of Value, 2010, The McLean Group
Regional Food Systems Are Complex


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• Supply management - Manufacturing, logistics, and sourcing.
• Demand management - Marketing, sales, and service.
• Product management - R&D, engineering, and product development.

Every Aspect of Supply Chain Management Requires Information & Communication Technologies!

Produce Distribution Models


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Other Ways to Use the Value Chain

Farm to Table: The Dairy Value Chain

- **Production**
  - Milk production: Dairy cows are housed, fed, and milked on dairy farms across the U.S. On average, a cow produces about 8,5176 pounds of milk in 2009.
  - Production of feed for cows: The dairy supply chain begins with growing crops such as corn, alfalfa hay and soybeans to feed dairy cows. About 33 percent of feed is grown on the farm by dairy farmers, the rest is purchased from other farmers.

- **Processing**
  - Processing is typically done by the dairy processor. Both paperboard and plastic containers are designed to keep dairy products fresh, clean, and wholesome.

- **Packaging**
  - Milk transport: Milk is transported from farm to processing company in insulated tanker trucks. The average truck carries 3,000 gallons of milk and travels approximately 300 miles round trip.

- **Distribution**
  - Distribution companies deliver dairy products from the processor to retailers, schools, and other outlets in near-neighborhood trucks.

- **Retail**
  - Retailers sell dairy products at 176,000 retail outlets in all shapes and sizes — from convenience stores and neighborhood groceries to large discount stores and warehouse outlets.

- **Consumer**
  - Milk and milk products deliver time essential nutrients to children and adults, promoting good health and well-being throughout all stages of life.

Supply Chain Emissions and Carbon Reduction Projects

- **4.9% Consumer**
- **6.5% Retail**
- **7.7% Milk transport**
- **3.5% Packaging**
- **5.7% Processing**
- **51.5% Milk production**
- **20.3% Feed production for cows**

Sources:
- Production of Feed: USDA Economic Research Service, 2009
- Milk Production: USDA, National Agricultural Statistics Service, 2012

A Project of the Innovation Center for U.S. Dairy

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• Average Water Use Decreased by 10%
• Average Production Increased by 10%
• Water Savings is 5 Times Greater Per Dollar Invested Than Changing From Flood to Drip Irrigation
An estimated 55% of U.S. adults had broadband access at home in 2008, yet only 41% of adults in rural households had broadband access.

Number of High Speed Providers by Zip Code

SOURCE: USDA ERS using FCC Data
Purchasing cooperatives include:
- Ace Hardware,
- The Bike Cooperative,
- Unified Grocers
- and many more.

Worker cooperatives include:
- small bicycle & book stores,
- a fair-trade coffee roaster,
- a taxi company,
- an engineering firm,
- …and an adult theatre.
Diverse Collaboration Reduces Duplication

Community Colleges & Job Training
Local Government
State & Federal Programs
Micro Enterprise Support

Resource Conservation & Development Councils

Financial Institutions
CAMEO

Economic Development Corporations

NonProfits
Venture Capital & Micro-Finance
Research Institutions
GoBIZ

USDA Cooperative Extension

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Public – Private Partnerships

Agricultural Innovation Technology Program

• Collaborate on Research and Development

• Quickly Move New Technology into Commercialization
A Partner for Rural Communities

BALLE brings together independent business leaders, economic development professionals, government officials, social innovators, and community leaders to build local living economies.

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• Increase funding for export promotion and support activities.

• Advocate more effectively for U.S. products.

• Fight barriers that prevent fair access to foreign markets.

• Create an Export Promotion Cabinet reporting directly to the President consisting of top leaders from USDA, Commerce, State, Export-Import Bank, U.S. Trade Representative, SBA, etc.
“Every additional billion dollars of agricultural export sales helps to generate 8,400 jobs at home...
...it not only improves the bottom line for farmers and ranchers, but also puts people to work

...USDA's trade promotion programs return $31 for every dollar we invest.”

Secretary Vilsack on the 2012 Farm Bill, October 24, 2012
Marketing Programs are Needed
Native Coffee Traders helps the economic development of the indigenous peoples of North and South America.

“Our organically grown beans are produced in South and Central America and roasted on sovereign Native American Indian territory to formulate the most aromatic, healthy, delicious cup of coffee you have ever had.”
Agro-Tourism: A Motorcycle Rally on the Cattle Ranch to augment income!
High Speed Internet / Telecommunications
Transportation / Distribution Infrastructure
Regional Networks / Collaboration
University / Higher Education
Strategy & Advocacy
Access to Capital
Skilled Workforce
Entrepreneurs

SOURCE:
GROWCalifornia, 2011 Innovation Scorecard, Chico

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• Farm gate: $1.6 Billion
• Agriculture Industry is $3.3 Billion  (multiplier = 2X)
• Supports 21,000 jobs
• Working for more jobs
  – Local markets
  – International markets

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