Structural Transitions in Global Agriculture

Risks to the Rural Landscape Session

Federal Reserve Bank of Kansas City

July 15-16, 2014

Kansas City, Missouri
Risks to the Rural Landscape

July 16, 2014
My Presentation

Federal Reserve Bank of Kansas City
07.16.14

Part 1
Agriculture and Rural Communities

Part 2
Rural Community Vitality & Prosperity

Part 3
Three Stories of Hope from the Field
The Viability of Agriculture

• Global Warming
• Climate Change
• Weather Volatility
• Urbanization
• Recreation
• Water or Lack Of...
• Federal Farm Policy
• Etc...
Foundation of Economies

There are fewer and fewer farm and ranch dependent counties and communities in the United States.

But for those communities were production agriculture is king and the anchor economic force ... changes in production agriculture are driving fundamental and lasting changes in the rationale and future of rural communities.

Chronic and severe depopulation of farm dependent rural counties is a direct result of long-term trends and transformation in farming and ranching.

Rural communities either innovate or decline.
Trends in the Ag Sector

- Mechanization
- Industrialization
- Specialization
- Consolidation
- Fewer Farms & Ranches
- Fewer People Needed
- External & Bulk Purchasing
- Fewer Towns Needed
FD Rural Community Trends

**Brain Drain.** Loss of young people from rural communities. More appropriately not “brain drain” but the loss of those capable of risk taking.

**Wealth Drain.** When rural communities lose significant numbers of younger people, they eventually lose older residents who follow children and grand children. This drains wealth from rural communities.

**Cultural Homogenization.** Or the reduction in cultural diversity.

**Competitiveness, Diversity, Resilience & Prosperity.** Farm dependent communities generally are seeing erosion in all four of these long-term thriving indicators.
Rural Community
Vitality and Prosperity

Part 2
Illustration – Tri-State Region

Tri-State Region:
Phillips County, CO
Yuma County, CO
Rawlins County, KS
Cheyenne Co., KS
Chase County, NE
Dundy County, NE
Hayes County, NE
Hitchcock Co., NE
Profile of the Tri-State Region

- 8 Counties
- 2010 Population = 30,000
- Chronic & Severe Depopulation
- Farm Dependent
- 92% White (Median Age 44)
- 13% Hispanic (Med. Age 24)
- 84% Fit Two Household Types
- 21% over 65
- 24% Under 18
- 55% Between 18 and 65
What Drives the Economy?

Base Economic Sectors:
1 – Farming & Ranching - $487 million
2 – Retirees - $458 million

Secondary Economic Sectors:
1 – Government - $154 million
2 – Retail Trade - $44 Million
3 – Ag Support Services - $27 million

Retail Demand - $288 million
Retail Supply - $180 million
Leakage - $108 million
Resident’s Wealth Status

Household Current Net Worth:
No Wealth - $32.9%
Low Wealth - $ 22.2%

**55.1% with Limited Net Worth**

Medium Wealth - 34.4%
High Wealth – 10.5% - 1,311 households

*The thinning out of population is resulting in more uneven wealth distribution and resident well-being.*

*Source: ESRI, May 2014*
Part 3

Three Stories of Hope
From the Field
Imperial - Chase County
Like so many rural counties, Chase County experienced chronic and severe depopulation beginning with the Great Depression. This period preceded by the classic boom, bust and boom cycles.
Nonfarm Proprietors, Chase County Nebraska

Source: Bureau of Economic Analysis
There are relatively few rural counties in the entire Great Plains Region posting sustained positive population growth.
Russ & Allo Communications

Russ and his wife own the local twice weekly newspaper in Imperial. He a former high school class mate created Allo Communications. Today they are one of the breakout companies fueling Chase County’s revitalization. Allo Communications is competing head up with the likes of SPRINT and Century Link.

Russ and Allo are charitable and through gifts to the Chase County Community Foundation they are supporting workforce development and educational opportunities for youth.
Projects for Community Betterment

- **1999**: Begin renovations of city water tanks and transmission lines.
- **2003**: Atwood Beautification Committee forms and adds lampposts, benches, planters, trash receptacles and tree.

Rawlins County Health Center receives stimulus grant for construction updates. $7 million loan from USDA provides funding for expansion and renovation.

- **2008**: The “Garden Project,” a community beautification/life skills teaching project is begun.
- **2008**: Lake Atwood lake bed resealed, lake refilled. KS Dept. of Parks and Wildlife stocks it with fish in 2009.
- **2009**: Dental clinic brought to Atwood after three years of effort.

- **2010**: Construction begins on a new music room addition at Rawlins County High School.
- **2010**: Movie theater renovated- digital projector / 3D system

Atwood Boulevard” and other miscellaneous downtown beautification projects commence.

- **2010**: Disc golf course built around Lake Atwood spearheaded by Atwood FFA Outdoor Wildlife Learning Site committee reorganized.
- **2011**: Pool project completed at a cost of $1.3 million dollars.
- **2012**: The 60-year-old Rawlins County Health Center completed a $1.2 million renovation and expansion including new cardiac rehab and physical therapy.
Economic Rebound

Nonfarm Proprietors, Rawlins County Kansas

Source: Bureau of Economic Analysis
Community Renewal

Contemporary Population, Rawlins County Kansas

Source: U.S. Census Bureau
School Enrollment

Source: Kansas Department of Education & Kansas USD 105, 2013
Yearly Enrollment

Source: U.S. Census Bureau
Chris Sramek

Chris grew up in Atwood, left and come home by choice. He has been a visionary and driving force in the turnaround in Rawlins County.

Leon Atwell

Leon has been a community coach to Rawlins County and Chris. He has played a catalyst role empowering this community.
Entrepreneurial Kansas?
• More than a **decade of evolution** of entrepreneurial development in the state
• **Collaborative effort** – both in terms of policy and practice
• Powerful **public – private partnerships**
• Orchestrated and implemented by **social and civic entrepreneurs**
KS Entrepreneurship Milestones

- **2001**: Kansas Sirolli Initiative Begins 2001-2003
- **2004**: KS Economic Growth Act Passed
- **2005**: NetWork Kansas Formed
- **2006**: Steve Radley & Erik Pedersen Hired, StartUp Kansas Begins
- **2007**: E-Community Partnership Rolls Out 2007-Present
- **2011**: Economic Gardening, E-Community Partnership Refocused
- **2013**: E-Community Partnership Moves to Metro

Center’s Kansas Engagement

- **2001**: Early Kansas Meetings with Wally Kearns, Patty Clark, Leon Atwell & John Cyr
- **2003**: Center Sirolli Evaluation Conducted 2003-2005
- **2003**: HTC Institutes Held 2003-2005
- **2008**: KS Farm Bureau Hometown Prosperity Initiative 2008-2009 Rawlins County, Chatauqua County, Onaga
- **2010**: KS Entrepreneurial Communities Initiative 2010-2011
- **2011**: E-Accelerator Launched 2011-Present
Entrepreneurial Milestones in Kansas

- **2004 Economic Growth Act** – public focus on and support for entrepreneurship
- **2005 NetWork Kansas** – hub of a resource collaborative; powered by SourceLink
- **2007-2010 “Ground Game”** – E-Community Partnership and HomeTown Prosperity/E Communities Initiative
- **2011 Accelerating Impact** – E-Accelerator, Economic Gardening...
Lessons from Kansas

- Importance of collaboration and connections
- Positive role for government action
- Community engagement and ownership
- Documenting success
- Long-term strategy – long-term commitment
- Power of social and civic entrepreneurs

“Build strong, meaningful partnerships with those that share your mission and empower them to help you deliver your products and services.”
Corey Mohn, Director of Statewide Programs, NetWork Kansas

“We didn’t want to be a state program; we wanted to get in the dirt.”
Steve Radley, President and CEO, NetWork Kansas

“This takes time and you need to keep working at it. You need to be persistent and have faith in the future.”
Jeff Hofaker, Phillips County Kansas
E-Community Partner
## ACHIEVING IMPACT
### 2007 to 2013 → 6 Years

<table>
<thead>
<tr>
<th>ACCESS</th>
<th>REACH</th>
<th>SERVING THE UNDER-SERVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource Navigator – 74 → 179/month</td>
<td>44 E-Communities</td>
<td>86% Under 25,000 Population</td>
</tr>
<tr>
<td>Calls – 23 → 192/month</td>
<td>39 Counties – 37% of Geography</td>
<td>70% Under 10,000 Population</td>
</tr>
<tr>
<td>Active Contacts – 5 → 436/month</td>
<td>Now Metro: Kansas City &amp; Wichita</td>
<td>57% Under 5,000 Population</td>
</tr>
<tr>
<td>Partners – 9 → 500+</td>
<td></td>
<td>17% Under 1,000 Population</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEVELOPMENT IMPACTS*</th>
<th>CONTINUOUS INNOVATION</th>
<th>COMMUNITY TURNAROUNDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nearly 400 Deals</td>
<td>Economic Gardening</td>
<td>Rawlins County</td>
</tr>
<tr>
<td>$61 Million in Capital</td>
<td>Ice House</td>
<td>Phillips County</td>
</tr>
<tr>
<td>1,060 Full-Time Jobs</td>
<td>Start Up Weekends</td>
<td>Hillsboro</td>
</tr>
<tr>
<td>865 Part-Time Jobs</td>
<td>Growing Your Business</td>
<td>Sterling</td>
</tr>
</tbody>
</table>

* Through 1st Quarter 2014

---

- **ACCESS**
- **REACH**
- **DEVELOPMENT IMPACTS**
- **CONTINUOUS INNOVATION**
- **COMMUNITY TURNAROUNDS**
Questions...
A Decade of Field Work

The areas with "STARS" are locations where the Center has completed projects.
Keys to Economic Success

- Local Responsibility
- Smart Game Plan
- Robust Investment
- Entrepreneurial Development Systems
- Sustained Effort
- Growth Entrepreneurs
- Attributes of an Entrepreneurial Community
- Immigrants & New Residents
- Real Regional Collaboration
- Civic and Social Entrepreneurs
New Book

January 2014 Release

Contents...
Case for Entrepreneurs
Entrepreneurial Community
Action Framework
Working with Entrepreneurs
Guiding & Tracking Progress

Paper & E Book
E2 University Online

Rollout in 2014...

Resources:

• Guides
• Tools
• Protocols
• Training Webinars
• Exercises & Illustrations
• Videos, Stories & More
We have produced a new and improved web site with more free resources and better guidance to compensated resources. Give it a spin. Also... we have four electronic newsletters that are free. Sign up today and benefit from all the resources covered in our newsletters.

www.energizingentrepreneurs.org
Working with Es Webinars

Beginning next summer and fall we will be offering community and professional webinars on working with entrepreneurs and community-based entrepreneur-focused development.
Questions...
Questions & Discussion

Don Macke
don@e2mail.org
www.energizingentrepreneurs.org