



# Ag Horizons: Rice County

## A Rural Stress Task Force Offering

### Overview

Agricultural leaders and stakeholders from Rice County participated in the University of Minnesota Extension's Ag Horizons workshop on Thursday, November 18, 2021 in Faribault, Minnesota.

During the four-hour workshop, participants

- Learned about agriculture's impact on Rice County's economy
- Analyzed data tailored to Rice County's agricultural industry
- Generated ideas for supporting agriculture in the county
- Created action items that were specific to Rice County's needs.

This report summarizes the workshop.



### Agriculture's Impact on Rice County's Economy

To kick off the workshop, participants learned about the overall role of agriculture in the county. In 2019, Rice County's agricultural-related industries generated \$2.0 billion of sales, representing 28 percent of the county's total sales (Chart 1).<sup>1</sup> Agriculture-related manufacturing (particularly food processing) drives a significant portion of agricultural activity in the county.

The three non-agriculture industries that benefit the most from Rice County's agricultural industry are manufacturing, management of companies, and advertising. The average annual earnings for an employee working in an agricultural-related business in Rice County is \$50,000.

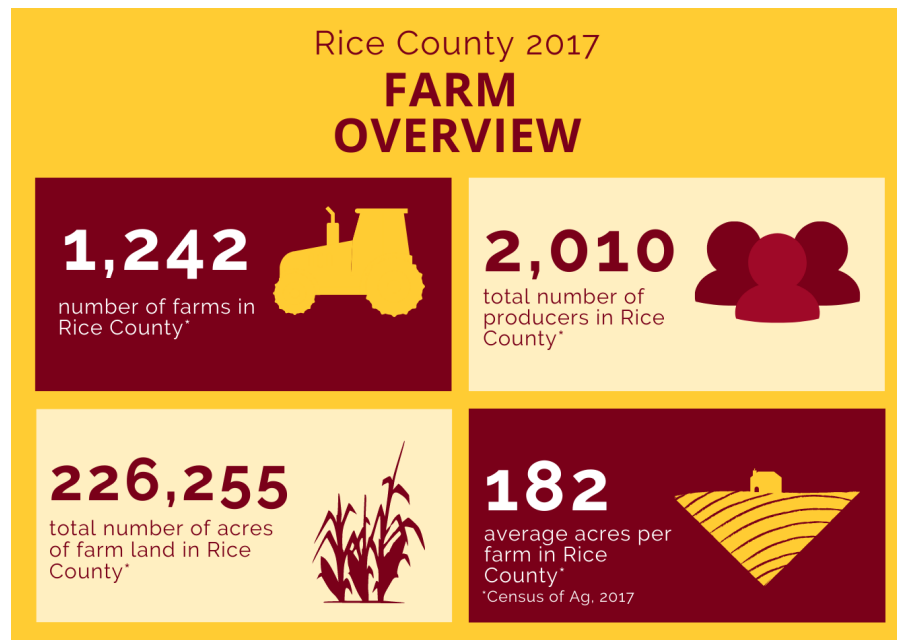
**Chart 1: Rice County Ag Economic Impacts Overview**



<sup>1</sup> Source: IMPLAN, 2019 is the most current data available. [www.implan.com](http://www.implan.com).

In 2017 (the most recent census), Rice County had a total of 329,914 acres of land, 69% of which was farmland (Chart 2).<sup>2</sup> Major agricultural production sectors include hog farming, corn production, and dairy production.

**Chart 2: Rice County Farm Overview**



## Data Tailored to Rice County's Economy

After learning about the overall role of agriculture in the county, participants discussed ten agricultural sectors, their economic impact, and ideas for supporting each sector. Participants discussed the ten sectors listed below in Table 1. Extension selected industries that reflect current agricultural conditions in the county, with the goal of having a mix of established and emerging industries for discussion. The data provided to workshop participants for each of these sectors is included in this report's appendix.

**Table 1: Industries Explored: Rice County Ag Horizons Workshop**

Grain and oilseed farming	Canned fruits and vegetables
Hog production	Cheese manufacturing
Support activities for agriculture and forestry	Poultry processing
Dairy cattle and milk production	Breakfast cereal manufacturing
Fruit farming	Breweries/Wineries

<sup>2</sup> Source: Minnesota USDA NASS Census of Agriculture, 2017. [www.nass.usda.gov](http://www.nass.usda.gov).

For each of the sectors, a group of participants addressed the following four questions:

1. What surprises you about this data?
2. What factors favor this industry in the region? What economic, natural resource, and/or socioeconomic strengths benefit this industry?
3. What factors work against this industry in the region? What economic, natural resource, and/or socioeconomic stressors, if any, affect this industry?
4. What could be done to support this industry in Rice County?

The small groups reported out to the full group their summary thoughts and considerations (Table 2).

## Ideas for Supporting Agriculture in Rice County

**Table 2: Ideas by Industry: Rice County Ag Horizons Workshop**

<b>Grain and oilseed farming</b> <ul style="list-style-type: none"><li>• Get farmers voices involved in development decisions</li><li>• Provide education to the community about agriculture</li></ul>	<b>Canned fruits and vegetables</b> <ul style="list-style-type: none"><li>• Source more local inputs, raw materials (example, edible beans)</li><li>• Extend rail access</li></ul>
<b>Hog production</b> <ul style="list-style-type: none"><li>• Change regulations (ex. animal cap)</li><li>• Simplify permitting process</li><li>• Increase opportunities for local processing</li><li>• Engage in land use planning, talk about realistic regulations for different parts of the county</li></ul>	<b>Cheese manufacturing</b> <ul style="list-style-type: none"><li>• Help with labor availability</li><li>• Prioritize buying locally</li><li>• Market as Rice County</li><li>• Connect schools to MDA grants</li><li>• Build on FFA collaboration efforts</li></ul>
<b>Support activities for agriculture and forestry</b> <ul style="list-style-type: none"><li>• Explore niche markets and products</li><li>• Keep adaption of technology in check (might threaten jobs)</li><li>• Allow for expansion of co-ops</li><li>• Improve internet access across the county</li></ul>	<b>Poultry processing</b> <ul style="list-style-type: none"><li>• Encourage city and county to maintain infrastructure</li><li>• Develop workforce housing</li><li>• Support agriculture education (South Central College, FFA)</li><li>• Help with trucking shortage</li><li>• Work with city and county to help businesses expand</li><li>• Explore options for local and regional processing (butcher shops)</li></ul>
<b>Dairy cattle and milk production</b> <ul style="list-style-type: none"><li>• Strategic planning for urban growth</li><li>• Expand direct marketing and develop education around ag-tourism</li><li>• Educate public on the benefits of dairy farms</li></ul>	<b>Breakfast cereal manufacturing</b> <ul style="list-style-type: none"><li>• Expand affordable housing options</li><li>• Develop programs/education for skilled labor</li><li>• Maintain needed infrastructure</li><li>• Produce more local inputs</li></ul>
<b>Fruit farming</b> <ul style="list-style-type: none"><li>• Create a tiered property tax system, to account for non-producing trees</li><li>• Work on zoning issues – fruit farms produce, process, and retail</li><li>• Market and develop tourism opportunities</li><li>• Build on strong support from Extension</li></ul>	<b>Breweries/Wineries</b> <ul style="list-style-type: none"><li>• Develop regulations and zoning that allows farmers/industry to thrive and succeed</li><li>• Explore options for insurance for specialty crops</li><li>• Help with rural finance opportunities</li><li>• Get representation from the industry in decision making processes</li></ul>

## Action Items for Supporting Agriculture in Rice County

After generating ideas to support agriculture, workshop participants voted on projects to move forward into implementation. Three ideas emerged.

### **Action Item 1: Engage in land use planning to develop realistic regulations and zoning for different regions of the county to help agriculture thrive.**

Rice County's population and geography vary by area of the county. For example, certain areas have higher population densities, while others have lower densities. Thus, having uniform land use policies may not be practical. Under this action item, county decision makers and stakeholders would explore options for customizing land use policies based on geography and population.

### **Action Item 2: Build a Rice County Brand and develop marketing efforts for buy-local.**

Rice County has several farmers and businesses engaged in local foods and selling directly to consumers. Slowly, these operations are building brands and reputations. Under this action item, stakeholders would engage in the development of a Rice County brand to help them succeed.

### **Action Item 3: Provide education to the community about agriculture.**

Rice County has a diverse and vibrant agricultural community. It is essential to build awareness within the community about the value of the industry. Under this action item, farmers would support agricultural education efforts in the county – including collaborating with the FFA programs at the K-12 schools, partnering with South Central College, and providing general educational opportunities.

## Workshop Details

Individuals from the following groups participated in the workshop.

- Faribault Community and Economic Development
- Farmers representing crops, organic crops, cheese making, hogs, dairy, beef, apples and cider, regenerative, and beginning farmers
- Regional Extension staff
- County commissioners
- Industry professionals (ex. insurance, soil and water)

The following University of Minnesota Extension staff participated in the planning, preparation, and presentation of the Ag Horizons workshop in Rice County.

- |                                       |   |
|---------------------------------------|---|
| • Joleen Hadrich, Associate Professor | • Brigid Tuck, Senior Economic Impact Analyst |
| • Claire LaCanne, Extension Educator  | • Madelyn Wehe, Student                       |
| • Megan Roberts, Extension Educator   |   |

## APPENDIX ONE: DEFINITIONS OF TERMS

The workshop analyzed ten of Rice County's industries to measure their economic linkages. The results of the analysis are presented in this appendix. To allow for comparison, the analysis considers the economic impact of adding 100 jobs in each industry. This allows one to compare and contrast the types of impacts each industry has in the county. The IMPLAN model used in this analysis is linear; therefore, if a person wanted to consider the economic linkages of 10 jobs, it could be done by dividing the results for 100 jobs by 10.

Interpreting the results requires knowing several definitions. Those are included here.

### Output

The IMPLAN model measures output in dollars and is equivalent to total sales.

### Employment

The model measures employment in annual average jobs and includes full-time, part-time, and seasonal workers. In other words, one job is one job regardless if it is full-time, part-time, or seasonal. Total wage and salaried employees as well as the self-employed are included in employment estimates in IMPLAN. Because employment is measured in jobs and not in dollar values, it tends to be a very stable metric.

### Direct Impact

The direct impact is equivalent to the initial change in the economy. For this workshop, the direct impact is 100 jobs.

### Indirect Impact

The indirect impact is the summation of changes in the local economy that occur due to **spending for inputs** (goods and services) by the industry or industries directly impacted. For instance, if employment in a manufacturing plant increases by 100 jobs, this implies a corresponding increase in output by the plant. As the plant increases output, it must also purchase more of its inputs, such as electricity, steel, and equipment. As it increases its purchase of these items, its suppliers must also increase their production, and so forth. As these ripples move through the economy, they can be captured and measured. Ripples related to the purchase of goods and services are indirect impacts.

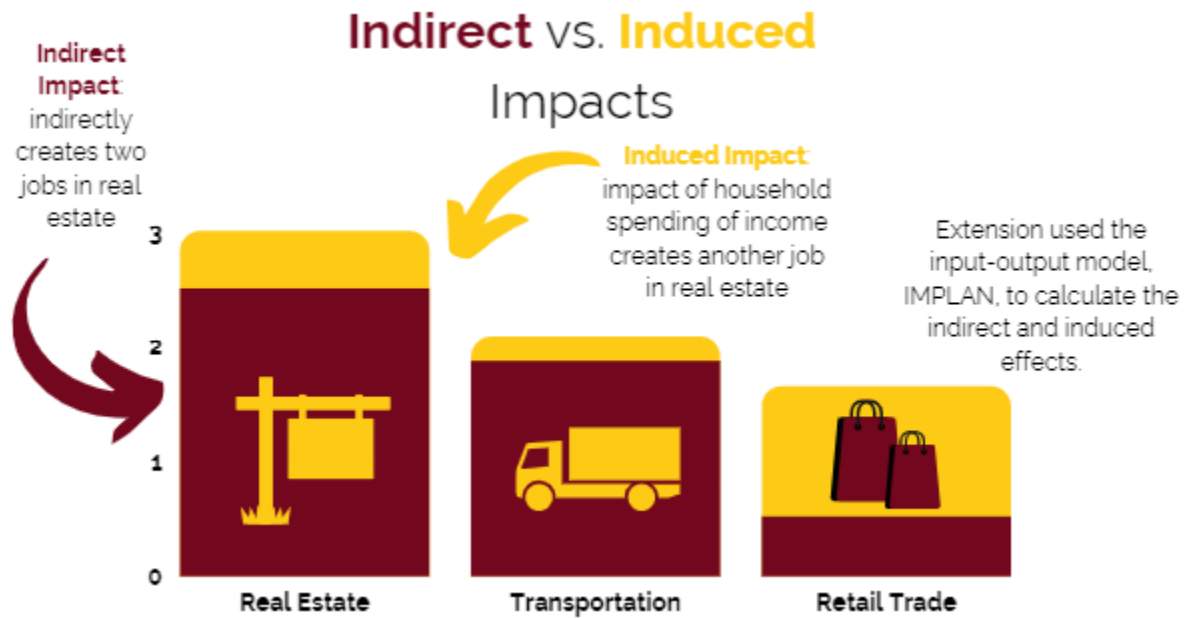
### Induced Impact

The induced impact is the summation of changes in the local economy that occur due to **spending by labor** - by the employees in the industry or industries directly impacted. For instance, if employment in a manufacturing plant increases by 100 jobs, the new employees will have money to spend to purchase housing, buy groceries, and go out to dinner. As they spend their new income, more activity occurs in the local economy. This can be quantified and is called the induced impact.

### Total Impact

The total impact is the summation of the direct, indirect and induced impacts

## Indirect vs Induced Impacts Graphic



## APPENDIX TWO: INDUSTRY ANALYSIS SLIDES

### Grain and Oilseed Farming: Rice County

- 858 farms with harvested cropland\*
- 177,101 cropland acres\*
- \$90 million total sales\*
- 74% expenditures: inputs\*\*
  - Support Activities for Agriculture & Forestry, Other Real Estate Services, and Pesticides & Other Ag Chemicals
- 26% expenditures: labor\*\*



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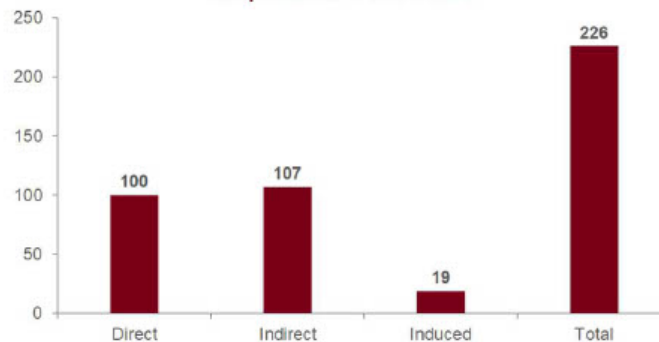
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\*Census of Ag, 2017  
\*\*IMPLAN, 2019

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### Grain and Oilseed Farming Impact of 100 Jobs



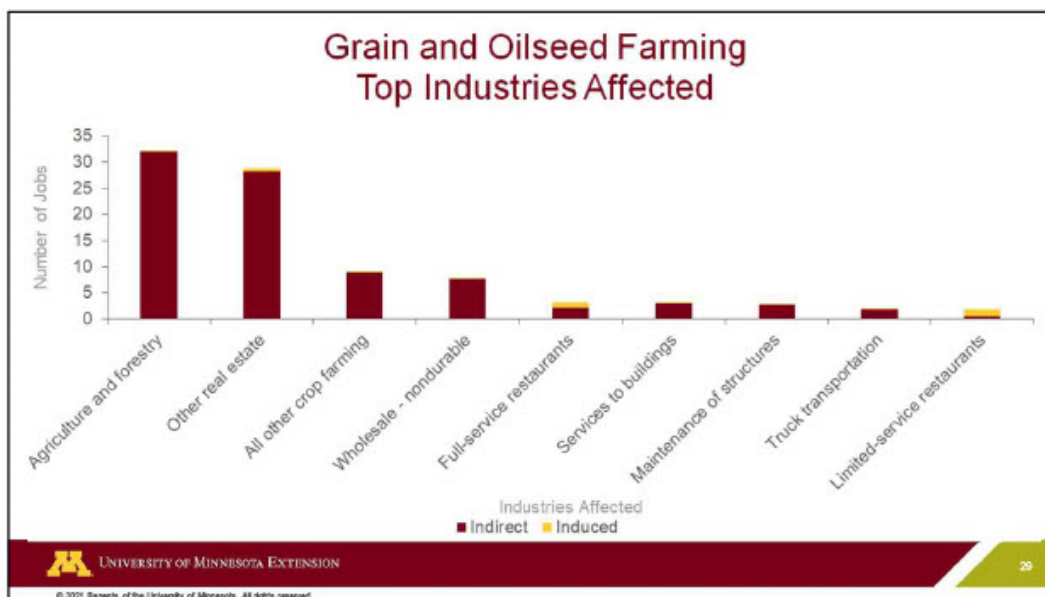
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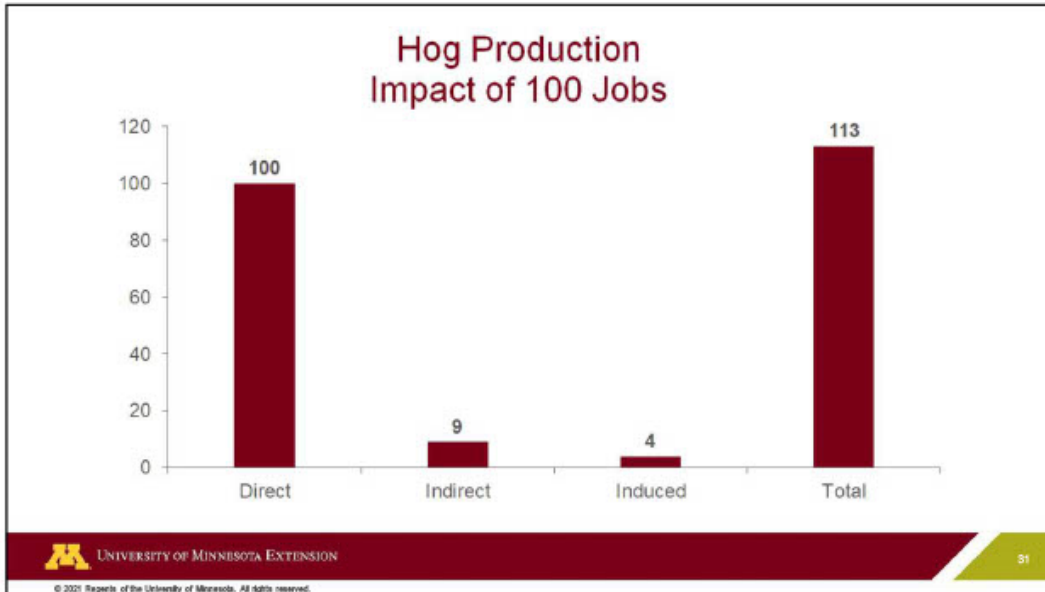
### Hog Production<sup>+</sup>: Rice County

- 65 hog farms\*
- 638,371 hogs and pigs sold\*
- \$57 million in total sales\*
- 42% expenditures: inputs\*\*
  - Other Animal Food, Wholesale-Nondurable, and Support Activities for Agriculture and Forestry
- 58% expenditures: labor\*\*

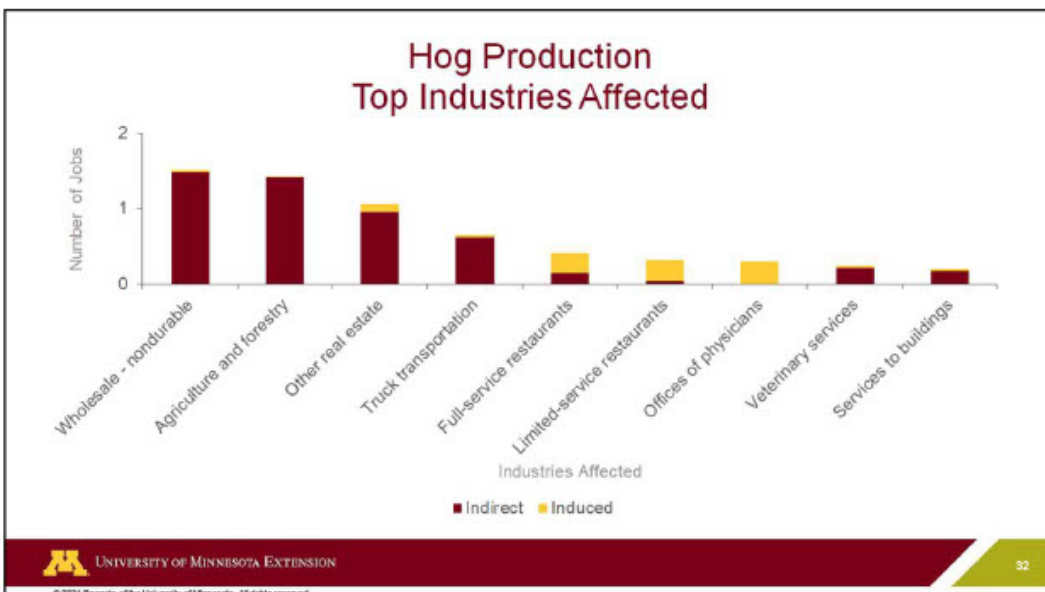
<sup>+</sup>IMPLAN Data also includes goats and sheep in this category

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## Support Activities for Ag and Forestry: Rice County

- 57 employees\*\*\*
- 3 establishments\*\*\*
- \$8.2 million in Total Output\*\*
- 15% expenditures: inputs\*\*
  - Wholesale-Nondurable, Phosphatic Fertilizer, and Nitrogenous Fertilizer
- 85% expenditures: labor\*\*



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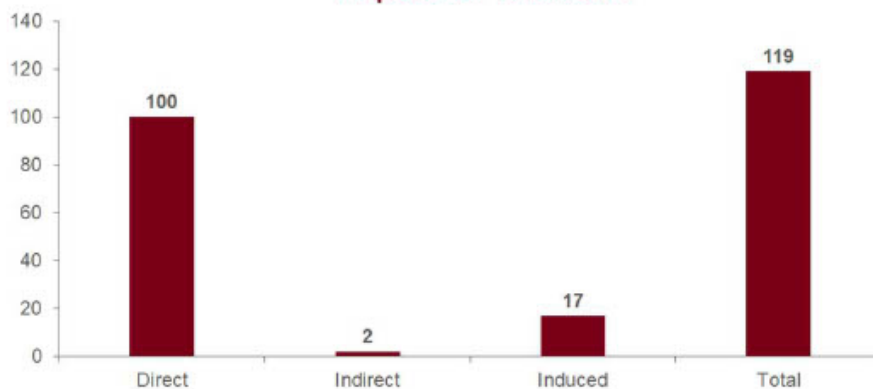
\*Census of Ag, 2017

\*\*IMPLAN, 2019 \*\*\*EMSI

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## Support Activities for Agriculture and Forestry Impact of 100 Jobs

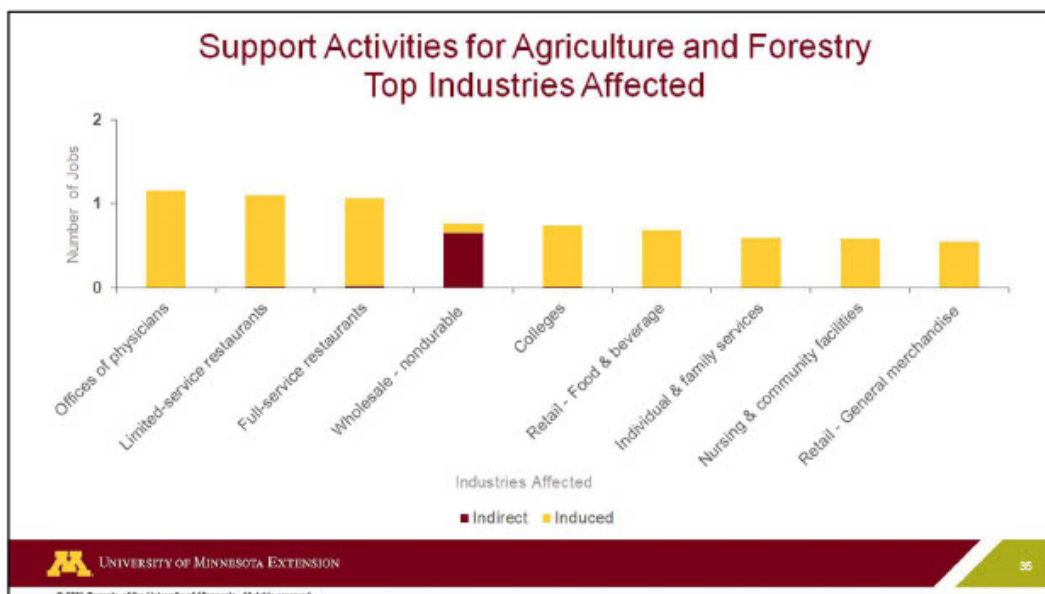


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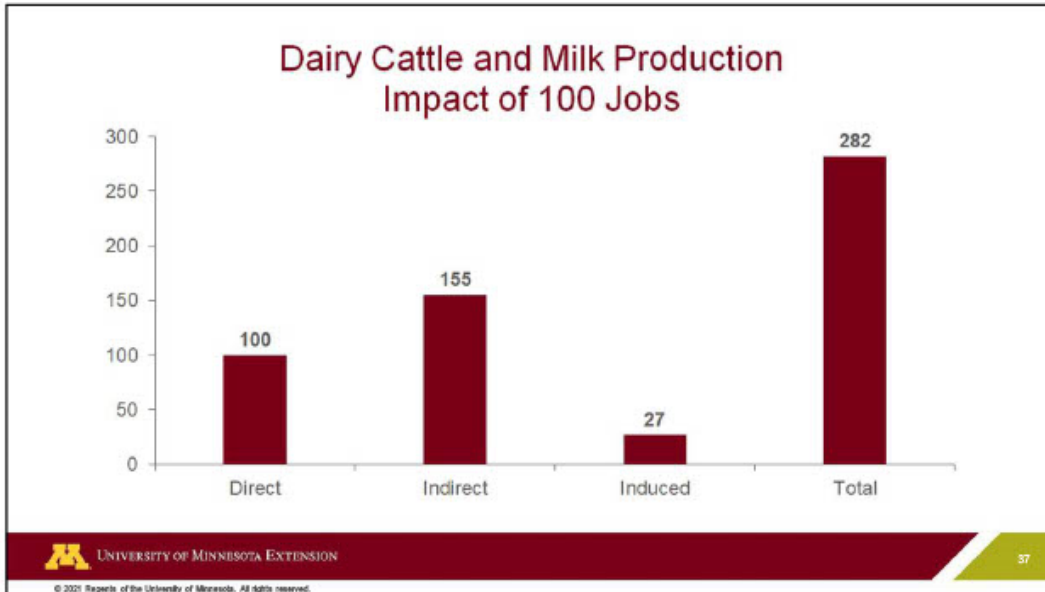


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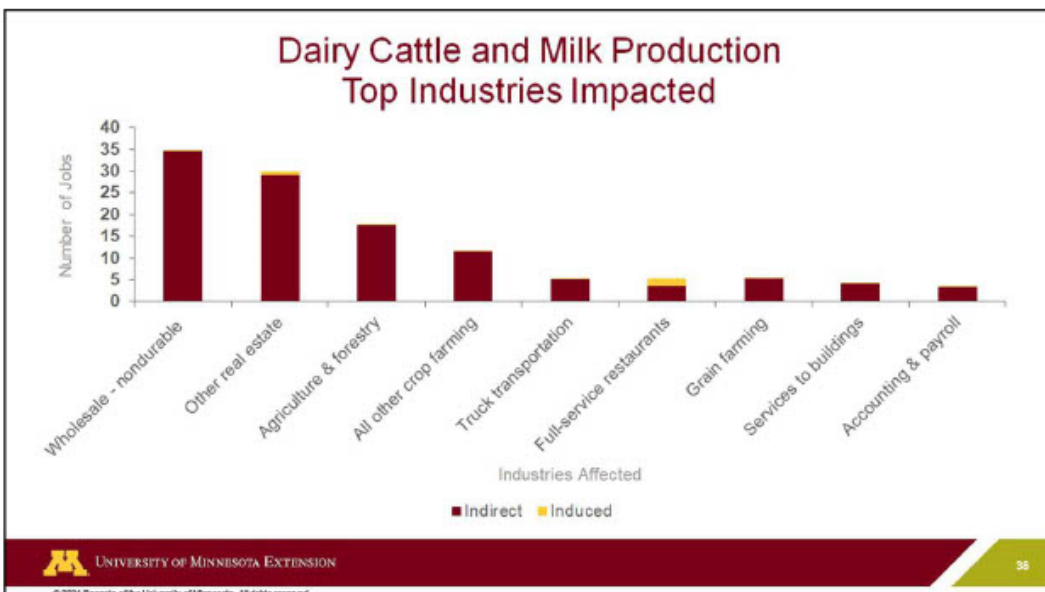
## Dairy and Milk Production: Rice County

- 66 farms\*
- 6,022 dairy cows\*
- \$24 million in milk sales\*
- 88% expenditures: inputs\*\*
  - Other Animal Food, Wholesale-Nondurable, and Other Real Estate Services
- 12% expenditures: labor\*\*

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## Fruit Farming: Rice County

- 27 fruit orchards, 4 berry farms\*
- 197 fruit orchard acres, 21 berry acres\*
- \$1.4 million in total sales\*
- 57% expenditures: inputs\*\*
  - Support activities for Agriculture & Forestry, Pesticides & Other Chemicals, and Wholesale-Nondurable
- 43% expenditures: labor\*\*



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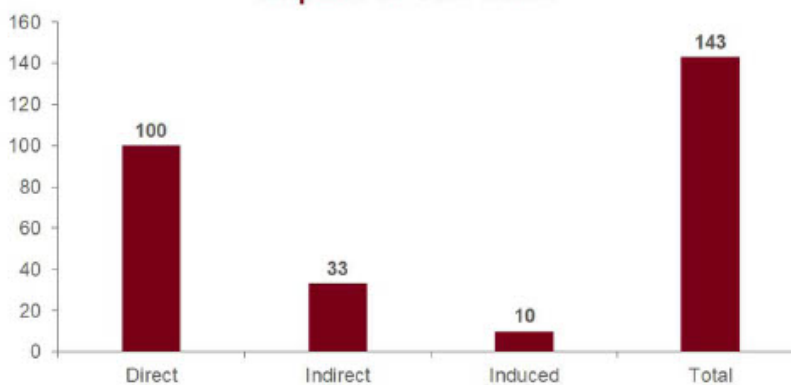
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\*Census of Ag, 2017  
\*\*IMPLAN, 2019

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## Fruit Farming Impact of 100 Jobs

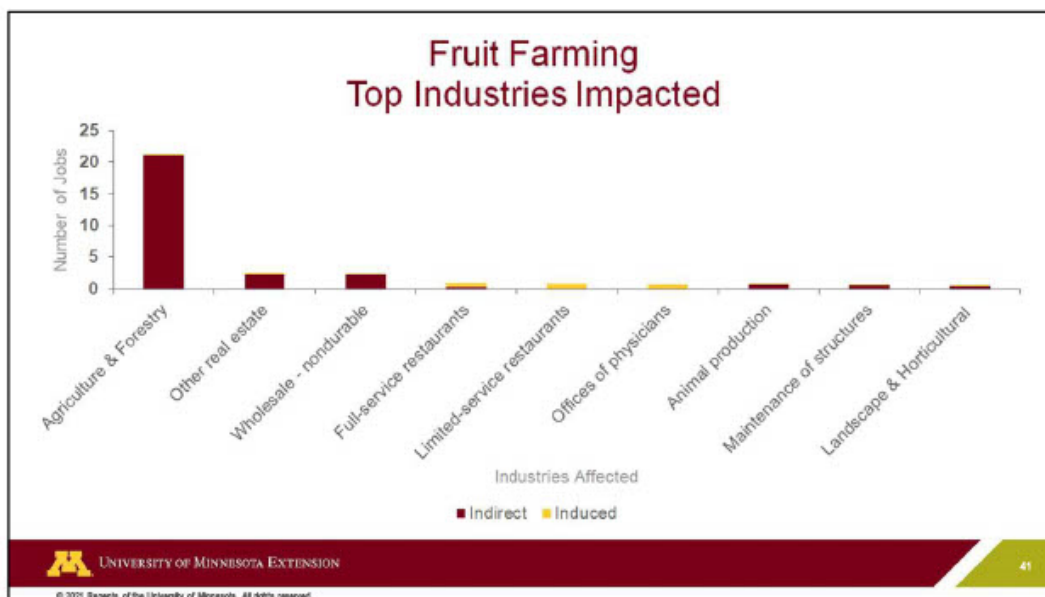


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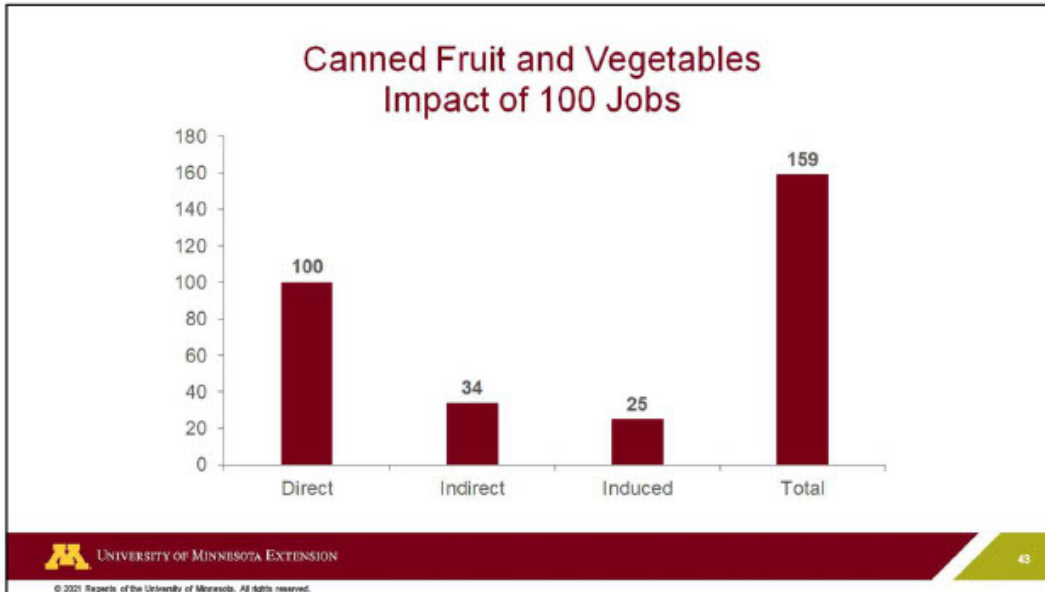


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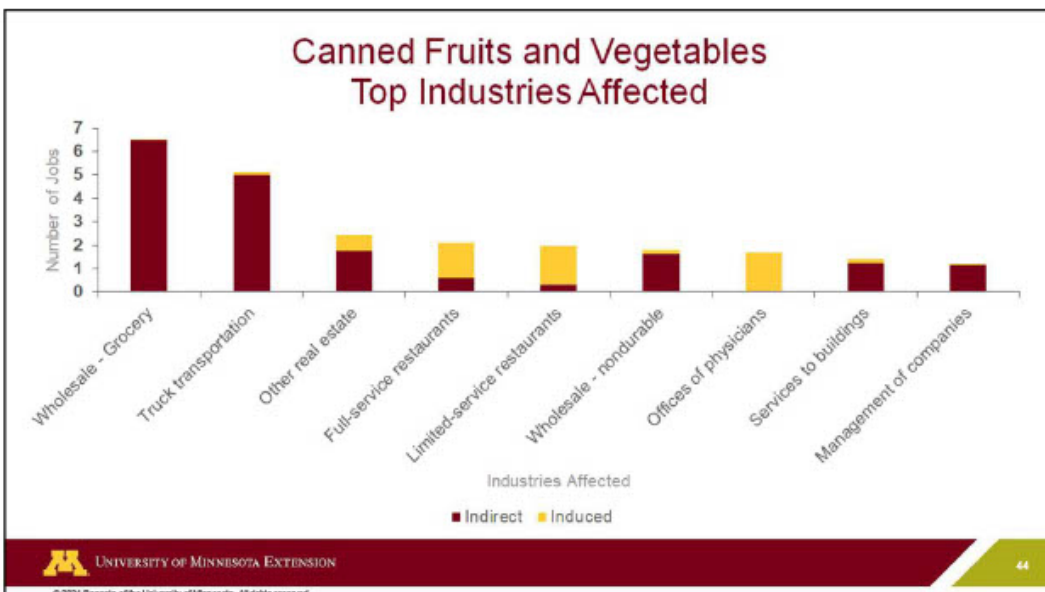
## Canned Fruit and Vegetables: Rice County

- 434 of employees\*\*\*
- 1 establishment\*\*\*
- \$65 million in Total Output\*\*
- 76% expenditures: inputs\*\*
  - Wholesale - Grocery, Metal Cans, and Flavoring Syrup & Concentrate
- 24% expenditures: labor\*\*

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## Cheese Manufacturing: Rice County

- 38 employees\*\*\*
- 1 establishment\*\*\*
- \$109 million in Total Output\*\*
- 88% expenditures: inputs\*\*
  - Dairy Cattle & Milk Products, Cheese, and Wholesale - Grocery
- 12% expenditures: labor\*\*



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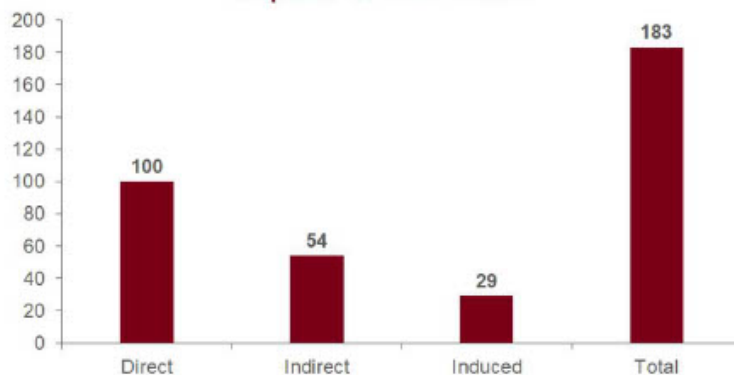
\*Census of Ag, 2017  
\*\*IMPLAN, 2019 \*\*\* EMSI

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## Cheese Manufacturing Impact of 100 Jobs

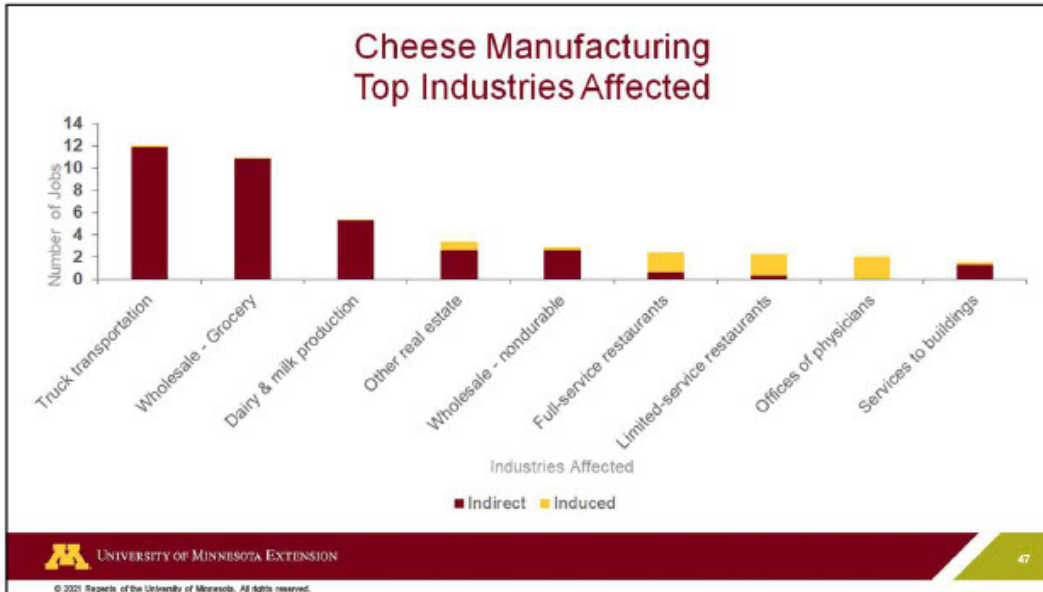


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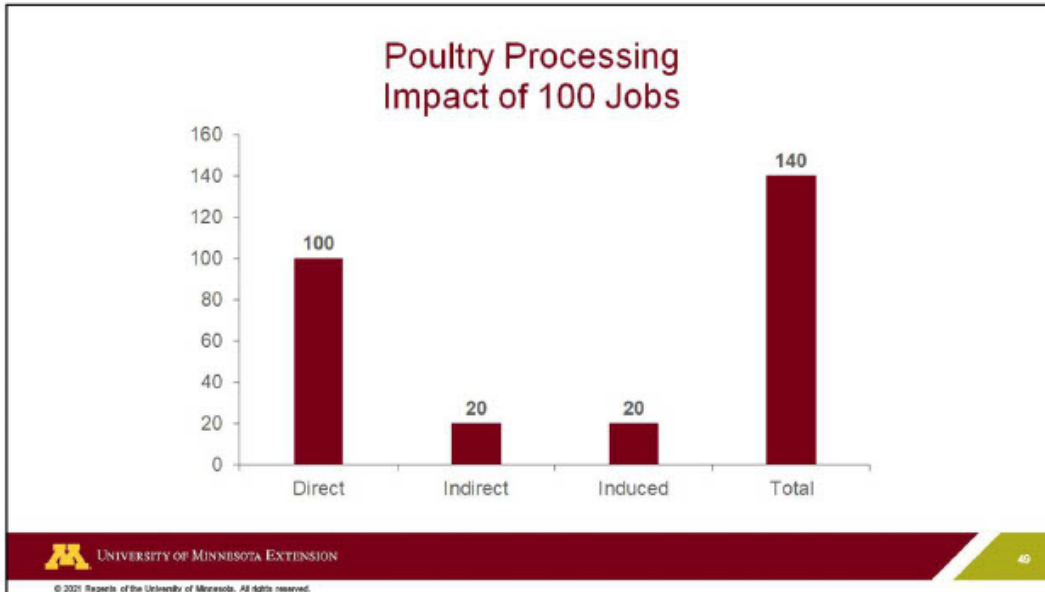


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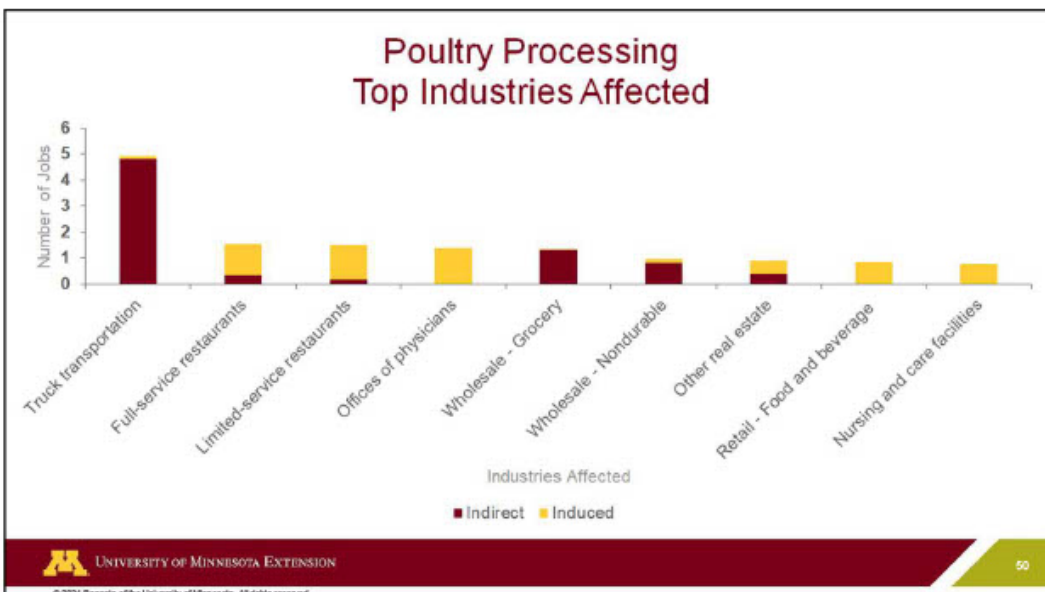
## Poultry Processing: Rice County

- 1,099 employees\*\*\*
- 1 establishment\*\*\*
- \$39 million in Total Output\*\*
- 75% expenditures: inputs\*\*
  - Poultry & Egg Products, Processed Poultry Meat Products, and Truck Transportation Services
- 25% expenditures: labor\*\*

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## Breakfast Cereal Manufacturing: Rice County

- 803 employees\*\*\*
- 2 establishments\*\*\*
- \$107 million in Total Output\*\*
- 69% expenditures: inputs\*\*
  - Soybean & Other Oilseed Processing, Paperboard Containers, and Wholesale - Grocery
- 31% expenditures: labor\*\*



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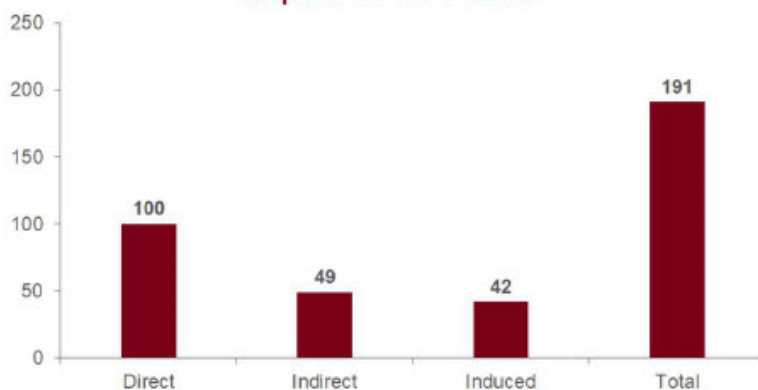
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\*Census of Ag, 2017  
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## Breakfast Cereal Manufacturing Impact of 100 Jobs

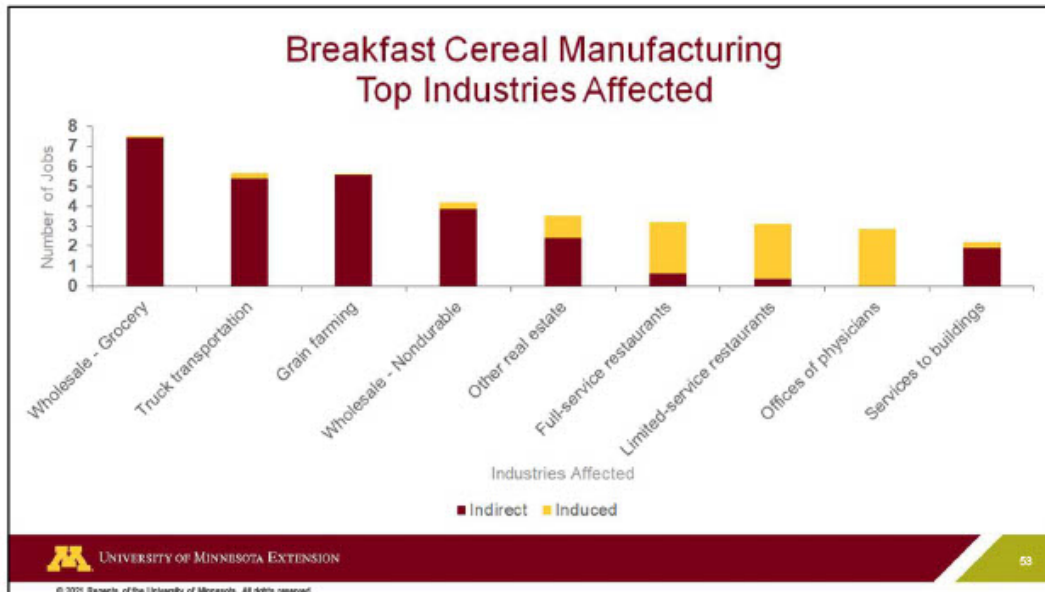


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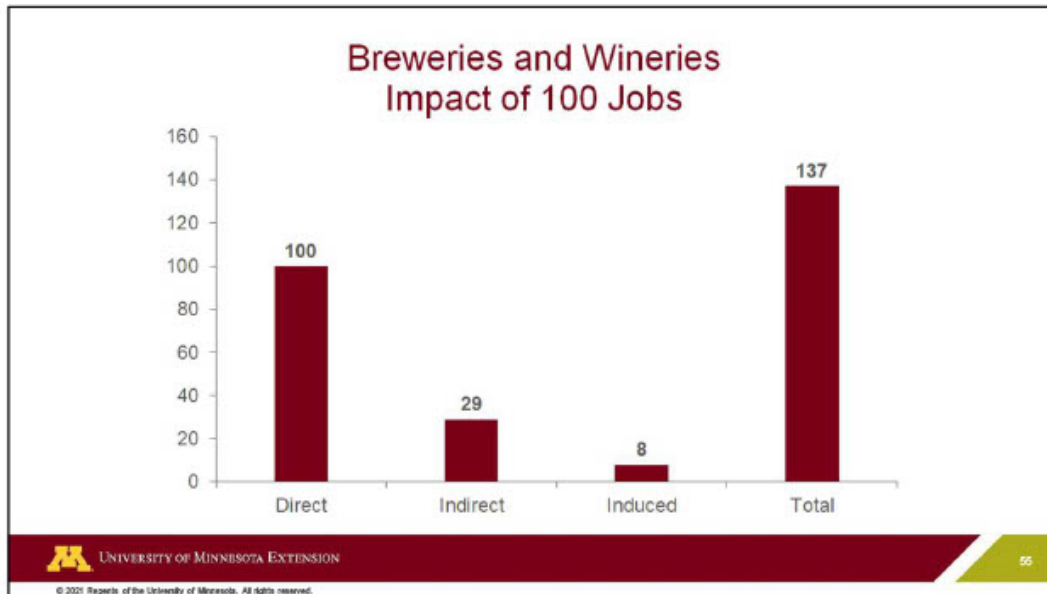


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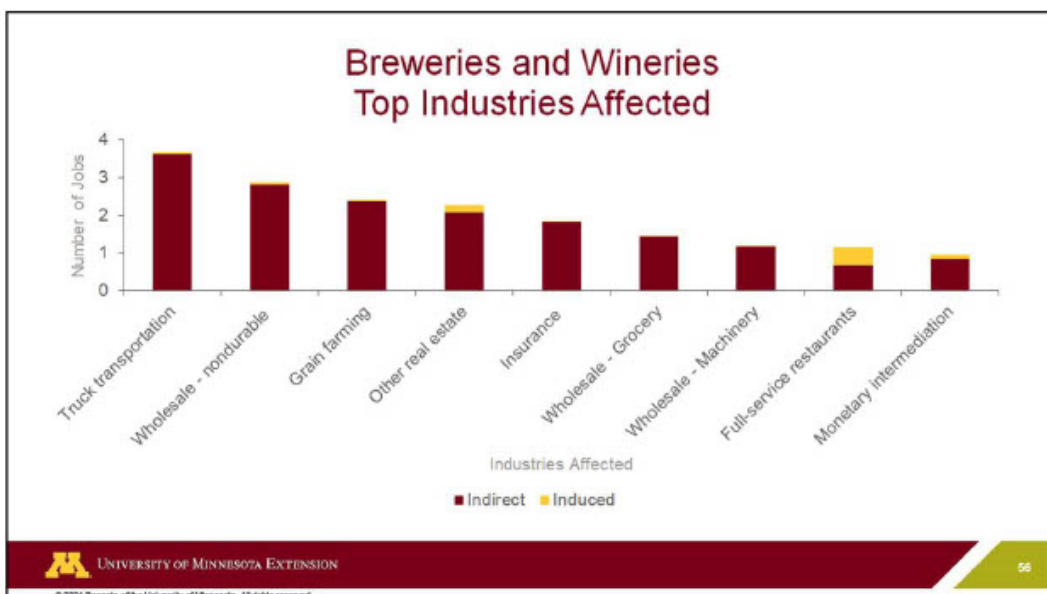
## Breweries and Wineries: Rice County

- 25 employees\*\*\*
- 4 establishments\*\*\*
- \$34 million in Total Output\*\*
- 86% expenditures: inputs\*\*
  - Breweries: Metal Cans, Grains, and Glass Containers
  - Wineries: Fruit, Wine & Brandies, and Wholesale - Grocery
- 14% expenditures: labor\*\*

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