



Ag Horizons: Scott County

A Rural Stress Task Force Offering

Overview

Agricultural leaders and stakeholders from Scott County participated in the University of Minnesota Extension's Ag Horizons workshop on Friday, February 11, 2022 in Prior Lake, Minnesota.

During the four-hour workshop, participants

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

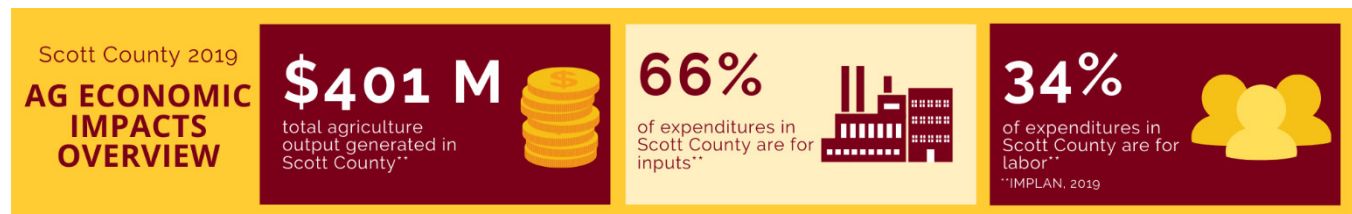


This report summarizes the workshop.

Agriculture's Impact on Scott County's Economy

To kick off the workshop, participants learned about the overall role of agriculture in the county. In 2019, Scott County's agricultural-related industries generated \$401 million of sales, representing 3 percent of the county's total sales (Chart 1).¹ Agriculture-related manufacturing (particularly food processing) drives a significant portion of agricultural activity in the county.

Chart 1: Scott County Ag Economic Impacts Overview

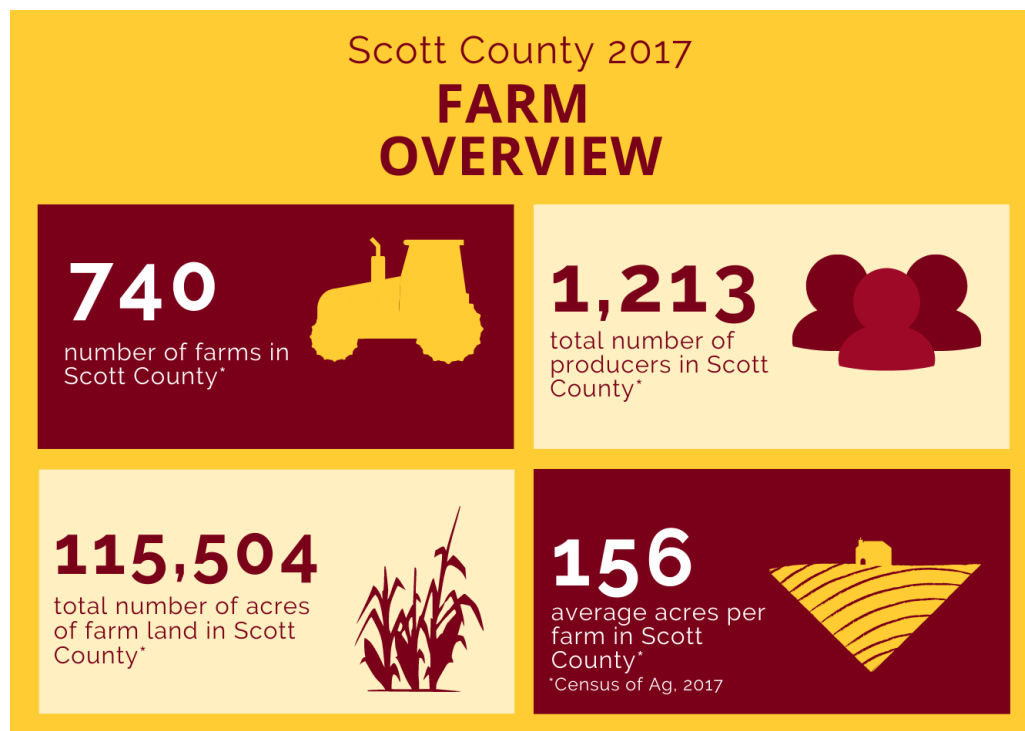


In 2017 (the most recent census), Scott County had a total of 235,500 acres of land, 49% of which was farmland (Chart 2).² Major agricultural production sectors include corn growing, dairy production, and beef production.

¹ Source: IMPLAN, 2019 is the most current data available. www.implan.com.

² Source: Minnesota USDA NASS Census of Agriculture, 2017. www.nass.usda.gov.

Chart 2: Scott County Farm Overview



Data Tailored to Scott 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. The data provided for each of these sectors is included in this report's appendix.

Table 1: Industries Explored: Scott County Ag Horizons Workshop

Landscape and horticultural services	Greenhouse, nursery, and floriculture
Fruit production	Horse, sheep, and goat production
Grain and oilseed farming	Grain merchant wholesalers
Dairy cattle and milk production	Meat markets
Beef production	Breweries

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 Scott County?

The small groups reported out to the full group their summary thoughts and considerations.

Ideas for Supporting Agriculture in Scott County

Table 2: Ideas by Industry: Scott County Ag Horizons Workshop

Landscape and horticultural services <ul style="list-style-type: none"> • Provide incentives to base operations locally • Promote adoption of technology as labor is scarce • Think about economic development opportunities such as <ul style="list-style-type: none"> -providing care for businesses campuses -encouraging Homeowners Associations to buy local 	Greenhouse, nursery, and floriculture <ul style="list-style-type: none"> • Offer educational programs <ul style="list-style-type: none"> -Promote via things like city to country tours -Host Master gardener events • Expand types and diversify products (and aid with expansions) • Encourage retailers to source from local area • Provide and promote the availability of seeds/plants direct to families/residents/households
Fruit production <ul style="list-style-type: none"> • Encourage safety, to get people safely to and from the farm • Explore taxes/regulatory issues at the county level <ul style="list-style-type: none"> -Work with local owners first to address issues vs pass new regulations • Help recruit and retail labor • Publish as “Ask your farmer” in Scott Scene every month, so the local stories get told 	Horse, sheep and goat production <ul style="list-style-type: none"> • Ease the ability to partner with solar farms <ul style="list-style-type: none"> -Can have a partnership to graze- currently red tape • Looking into providing more locker plant space <ul style="list-style-type: none"> -Shortages now -Restrictions on types of animals (cattle) • Develop trails/facilities for horses
Grain and oilseed farming <ul style="list-style-type: none"> • Continue to develop and maintain infrastructure • Protect farmland (2 votes) <ul style="list-style-type: none"> -P&Z, pressure solar farms, housing • Promote agriculture <ul style="list-style-type: none"> -Farm/city tour -County fairs -Slow moving vehicle education -What does it mean to live in an ag area? -Safety 	Grain merchants <ul style="list-style-type: none"> • Continue to develop and maintain infrastructure <ul style="list-style-type: none"> -Turn lanes -Access to facilities -Road improvements this summer • Provide education on the value and importance <ul style="list-style-type: none"> -Grain merchants – by-products ship out -Ex: DDGS -And exports vs. domestic use global environment
Beef production <ul style="list-style-type: none"> • Develop additional local processing capacity • Watch how markets adjust after shock of COVID • Provide education for consumer <ul style="list-style-type: none"> -Farmer income/revenue vs wholesale cut • Look a wholesale vs. direct markets • Know your breakeven • Provide farmer education <ul style="list-style-type: none"> -How to price direct to consumer 	Meat markets <ul style="list-style-type: none"> • Increase locker availability <ul style="list-style-type: none"> -Cattle slaughter-none local -Want to be near/in town -Livestock in city can cause conflict • Remove regulatory/licensing barriers <ul style="list-style-type: none"> -Needs to be addressed • Offer meat market tours <ul style="list-style-type: none"> -Ex: “Wine trails” -Package with breweries, etc.

Table 2: Ideas by Industry: Scott County Ag Horizons Workshop

Dairy cattle and milk production	Breweries/Wineries
<ul style="list-style-type: none">• Change perspectives/understanding of the industry• Offer farm succession training<ul style="list-style-type: none">-Profits don't compete with full-time jobs-It's a small business-Very valuable to communities	<ul style="list-style-type: none">• Improve the regulatory environment (1 vote)<ul style="list-style-type: none">-Address at state level• More festivals/events<ul style="list-style-type: none">-Bring people to communities• Note: Rahr serves small breweries nationally

Action Items for Supporting Agriculture in Scott County

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

Action Item 1: Infrastructure (Safety, turn lanes, etc.) Infrastructure is incredibly important to the movement of agricultural goods in the region, especially since Scott County has major wholesale facilities that gather crops and transport globally. Farmers need to have safe routes from farm to market. In addition, the rise of agricultural tourism in Scott County is notable. This is good for the promotion and understanding of agriculture. People, however, need safe ways to get to and from the farm. A one-size fits all policy may not work, so we need to explore how the use of turn lanes, etc., can play into that safety.

Action Item 2: Consumer education (Public promotion of agriculture) Scott County is at the intersection of farms and population centers, providing an opportunity to promote agriculture and help people understand the role agriculture has in the county. Participants shared multiple ideas for consumer education – including ideas such as publishing a regular article in the Scott Scene called “Ask a Farmer”, renewing the city-county tour, and having a presence at the county fair.

Action Item 3: Regulatory and licensing barriers (Especially meat markets) Several industry groups discussed concerns around regulations and licensing. The pandemic revealed serious issues in the nation's meat processing supply chain. The federal and state government are offering incentives to develop local, small meat markets and processing capacity. Local regulations, however, still present barriers. Ag-tourism operations also face local regulations that can be detrimental to businesses. One participant suggested including local business owners in discussions about potential problems and in developing solutions together. Finally, there are opportunities for grazing sheep and goats on solar land, but regulations also make this difficult. It may be worth the county's time to do a comprehensive review of its policies around agriculture and look for areas that could be eased.

Workshop Details

Individuals in the following groups participated in the workshop.

- County officials (commissioners, planning and zoning, economic development, etc.)

- Farmers
- Township officials
- Agribusiness
- State, local government and university officials that support agriculture (NRSC, FBM)

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

- Brigid Tuck, Senior Economic Impact Analyst
- Colleen Carlson, Extension Educator
- Megan Roberts, Extension Educator
- Joleen Hadrich, Associate Professor
- Madelyn Wehe, Student

APPENDIX ONE: DEFINITIONS OF TERMS

The workshop analyzed ten of Scott 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 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.

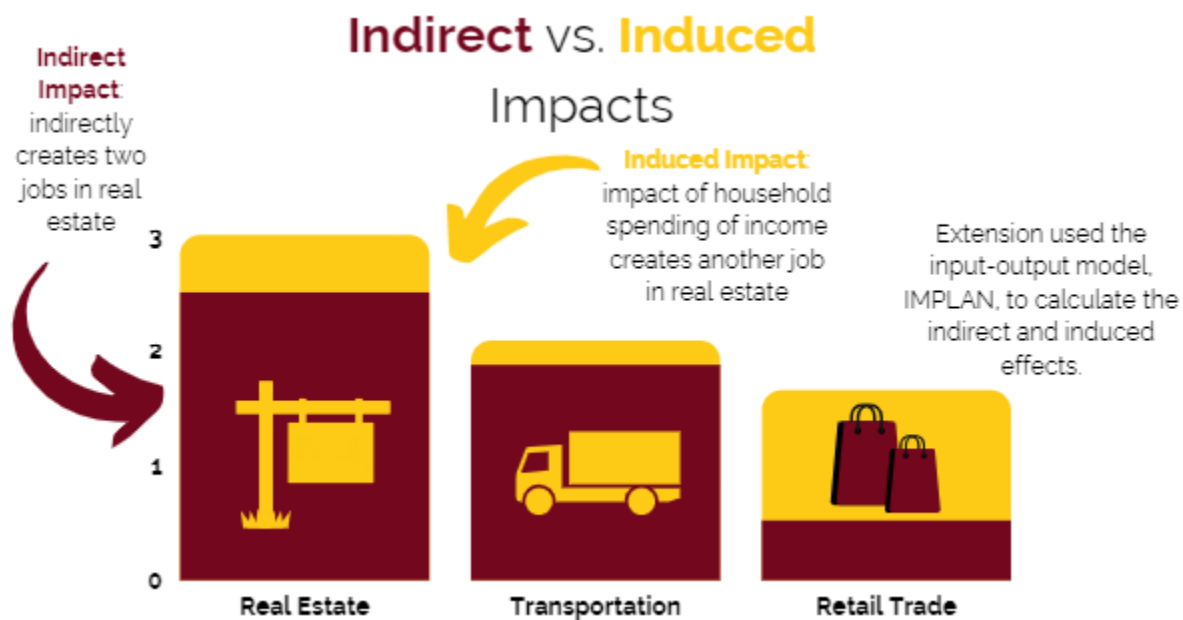
Induced Impact

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

Greenhouse, Nursery, and Floriculture: Scott County

- 14 farms/entities*
- \$1.29 million in sales*
- 65% expenditures: inputs**
 - Support Activities for Agriculture & Forestry, Wholesale-nondurable, and Other Real Estate Services
- 35% expenditures: labor**



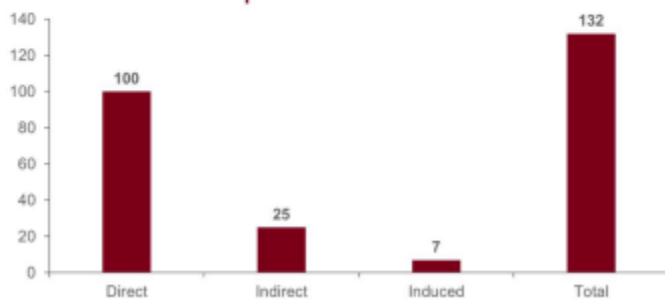
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*Census of Ag. 2017
**IMPLAN, 2019

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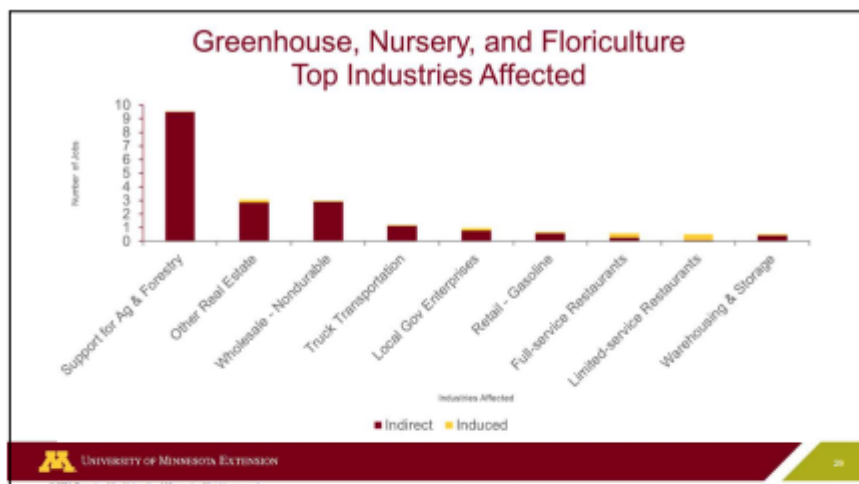
Greenhouse, Nursery, and Floriculture Impact of 100 Jobs



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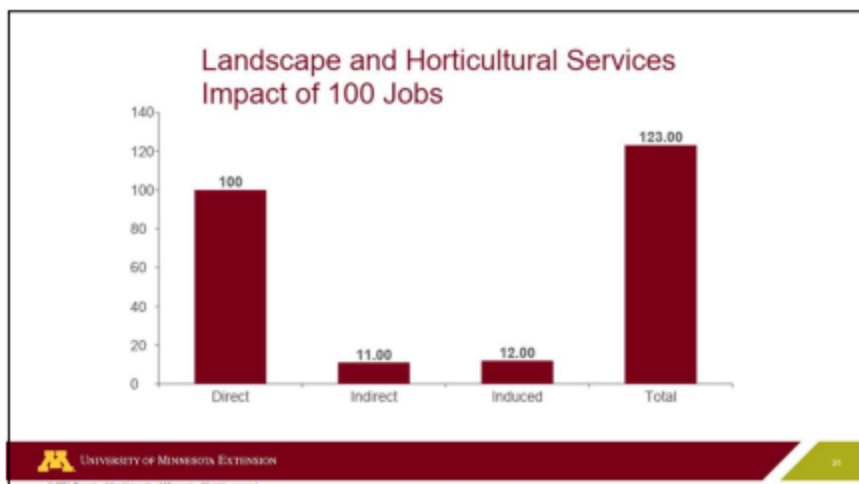
Landscape and Horticultural Services: Scott County

- 800 employees**
- 98 establishments***
- \$76 million in Total Output**
- 39% expenditures: inputs**
 - Other real estate services, Legal services, and Motor vehicle electrical and electronic equipment
- 61% expenditures: labor**

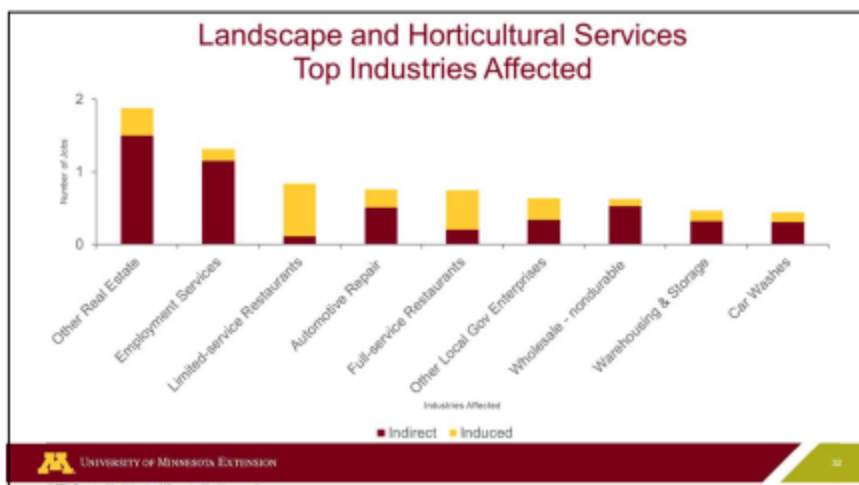
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**Census of Ag, 2017
IMPLAN, 2019 * EMSI

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Fruit Production- Scott County

- 24 fruit orchards, 8 berry farms*
- 236 fruit orchard acres*
- \$1.3 million in Total Output**
- 57% expenditures: inputs**
 - Support activities for agriculture and forestry, Pesticides and other agricultural chemicals, and Wholesale services - Other nondurable goods merchant wholesalers
- 43% expenditures: labor**



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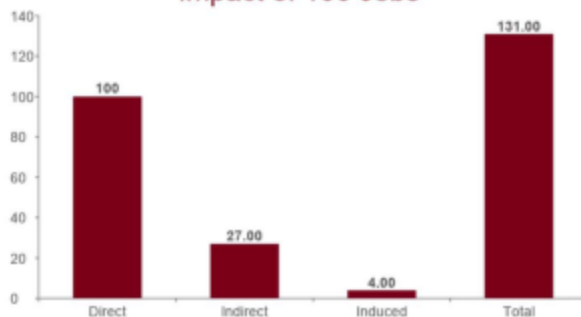
*Census of Ag. 2017

IMPLAN, 2019 * EMSI

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Fruit Production Impact of 100 Jobs

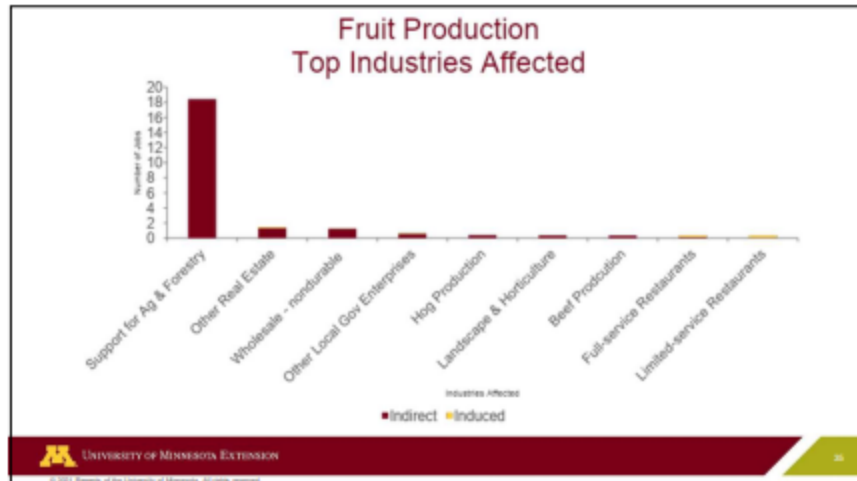


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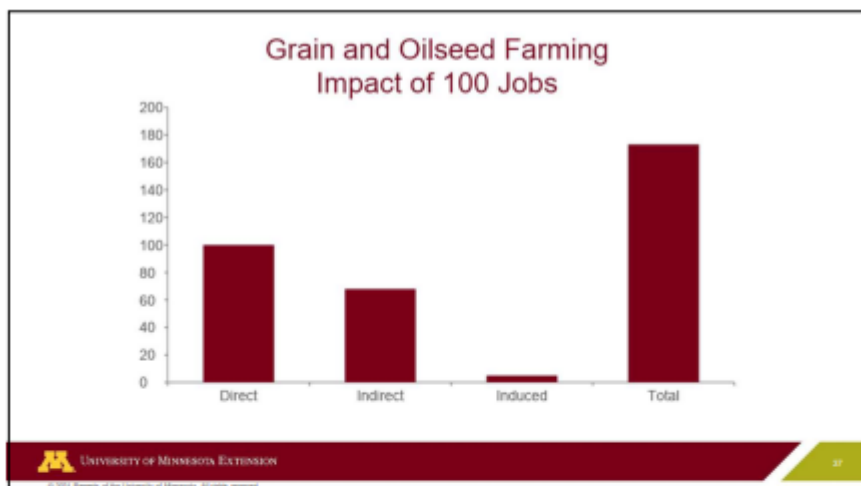


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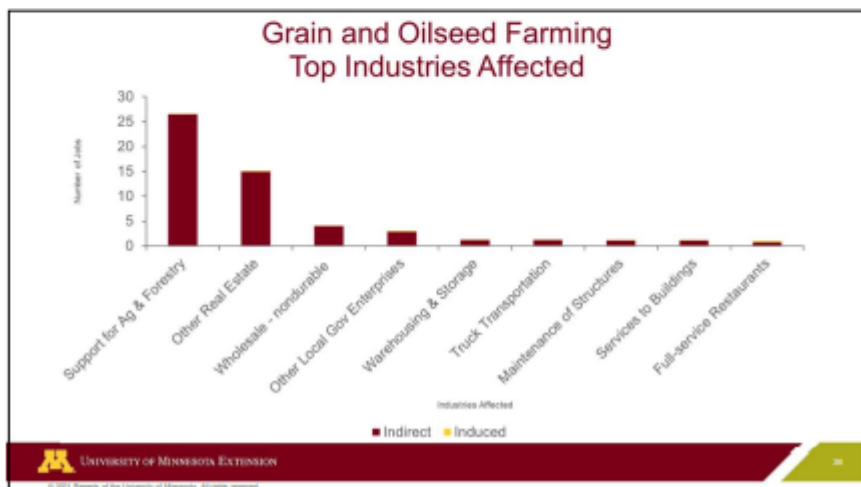
Grain and Oilseed Farming- Scott County

- 534 farms with harvested cropland*
- 97,972 cropland acres*
- \$40 million total sales*
- 73% expenditures: inputs**
 - Support activities for agriculture and forestry, Other real estate services, and Pesticides and other agricultural chemicals
- 27% expenditures: labor**

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Dairy Cattle and Milk Production- Scott County

- 33 farms*
- 3,309 dairy cows*
- \$12 million in milk sales*
- 88% expenditures: inputs**
 - Other animal food, Wholesale services - Other nondurable goods merchant wholesalers, and Other real estate services
- 12% expenditures: labor**



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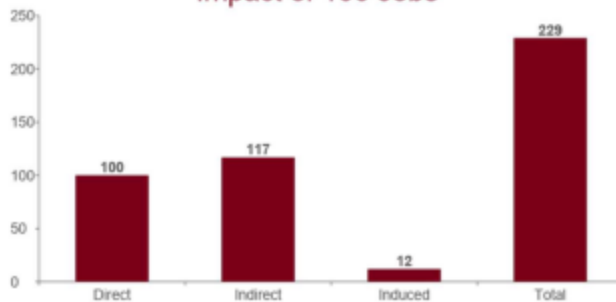
*Census of Ag, 2017

IMPLAN, 2019 * EMSI

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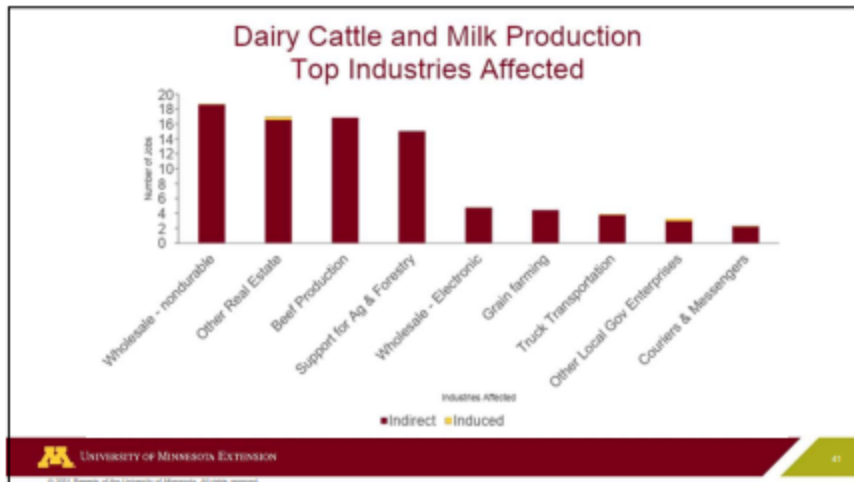
Dairy Cattle and Milk Production Impact of 100 Jobs



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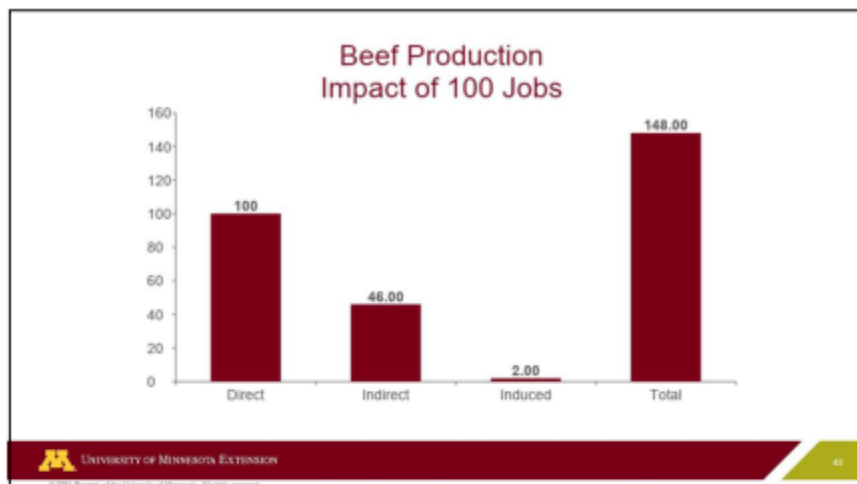


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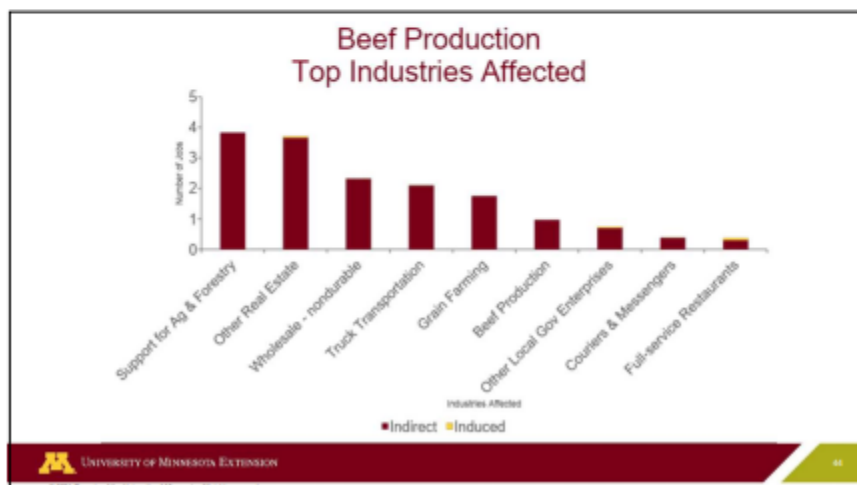
Beef Production- Scott County

- 120 farms*
- 9,979 cattle sold*
- \$12 million in sales*
- 76% expenditures: inputs**
 - Beef cattle, Other animal food, and Wholesale services - Other nondurable goods merchant wholesalers
- 24% expenditures: labor**

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Horse, Sheep and Goats- Scott County

- 70 farms*
- 1,198 horses, 518 sheep, and 699 goats*
- \$9.7 million in sales**
- 42% expenditures: inputs**
 - Other animal food, animal products, except cattle and poultry and eggs, and wholesale services - Other nondurable goods merchant wholesalers
- 58% expenditures: labor**



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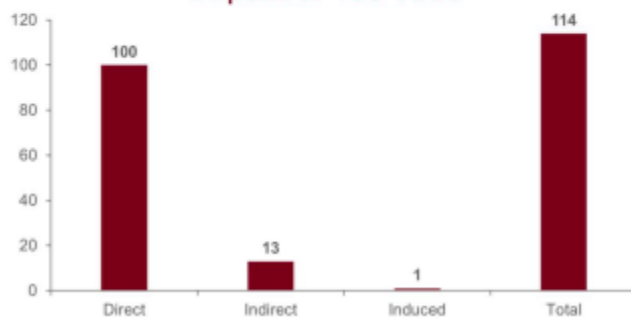
*Census of Ag. 2017

IMPLAN, 2019 * EMSI

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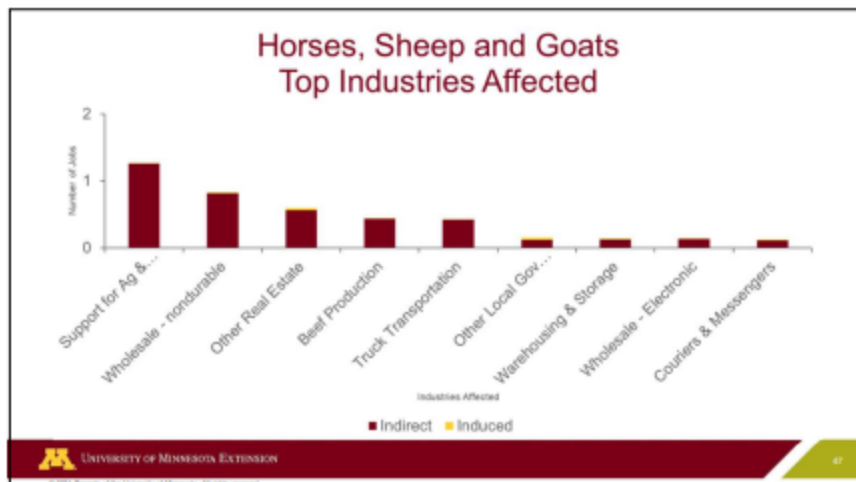
Horses, Sheep and Goats Impact of 100 Jobs



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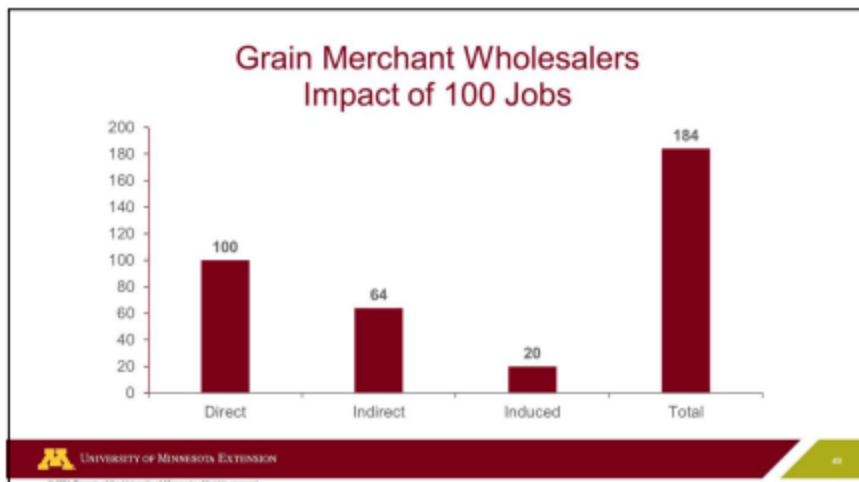


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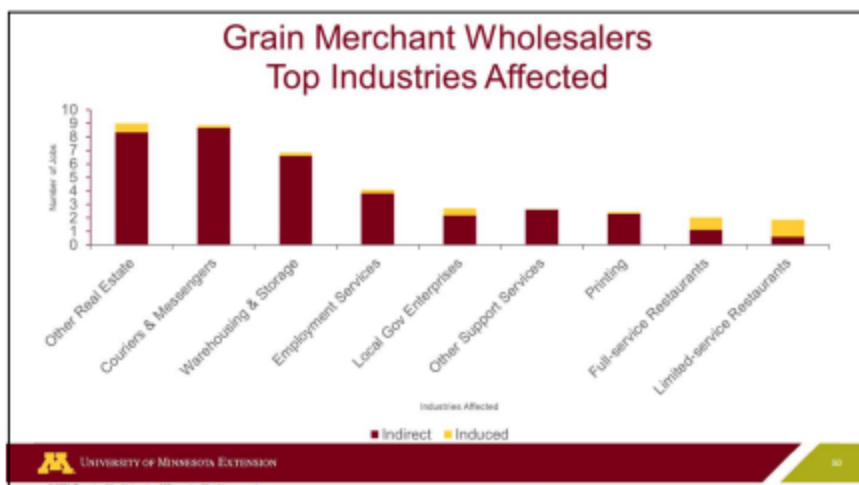
Grain Merchant Wholesalers- Scott County

- 70 employees***
- 3 establishments
- \$20 million in Total Output**
- 48% expenditures: inputs**
 - Inputs: real estate, management of companies, advertising and marketing
- 52% expenditures: labor**

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Meat Markets

- 91 employees
- 4 establishments
- \$6.7 million in total sales**
- 40% expenditures: inputs**
 - Real estate, warehousing, advertising/marketing
- 60% expenditures: labor**



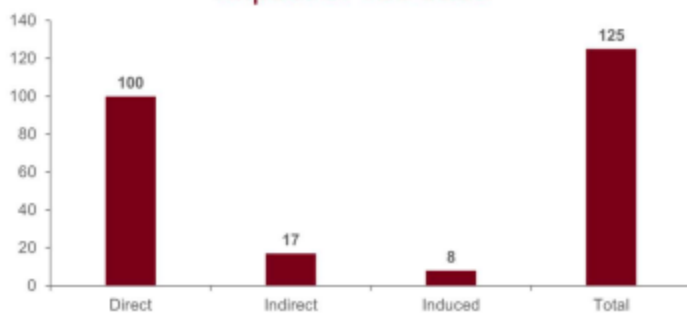
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Meat Markets Impact of 100 Jobs

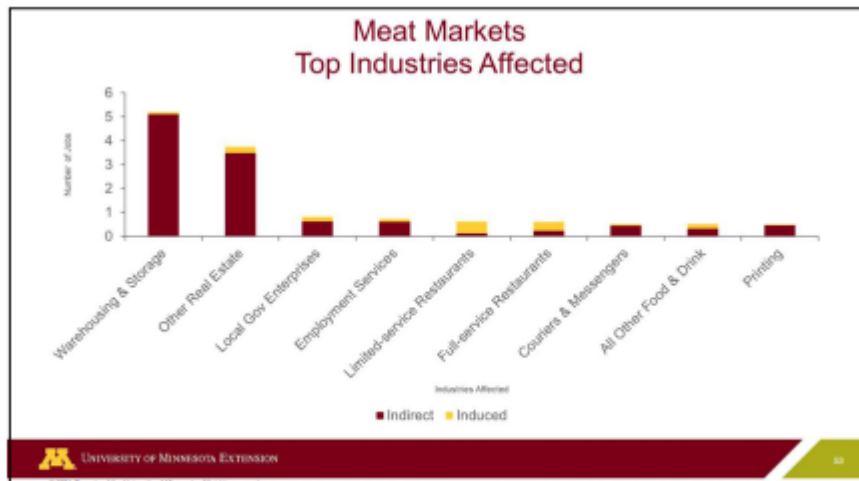


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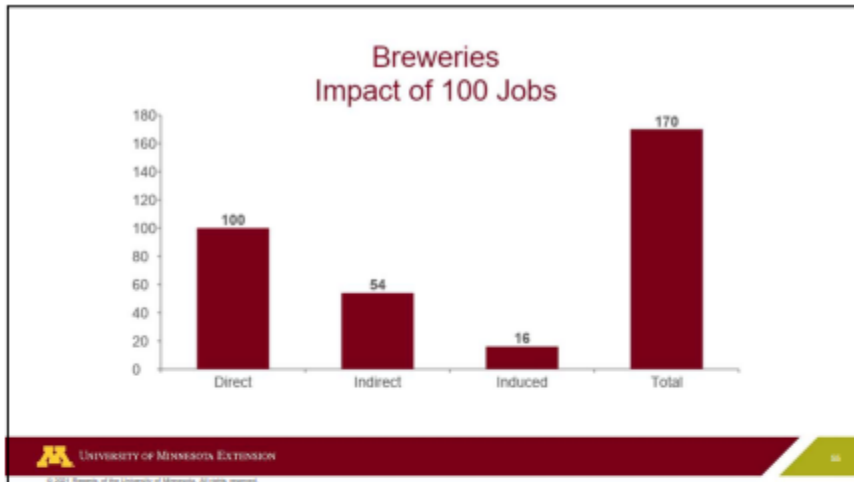


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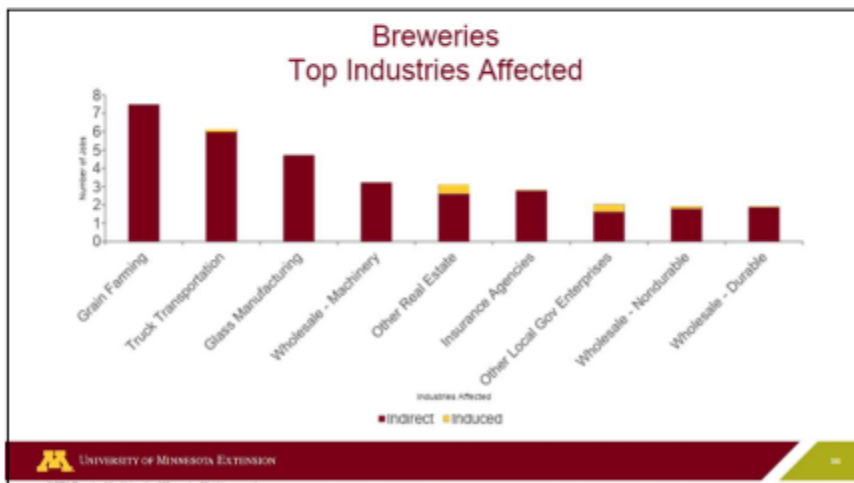
Breweries- Scott County

- 98 employees***
- 2 establishments***
- \$6 million in Total Output**
- 70% expenditures: inputs**
 - Metal cans, Grains, and Glass containers
- 30% expenditures: labor**

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Racing and Track Operation- Scott County

- 1 establishment
- \$95 million in Total Output (includes speedways)**
- 29% expenditures: inputs**
 - Racing and track operation services, Promotional services for performing arts and sports and public figures, and Advertising, public relations, and related services
- 71% expenditures: labor**

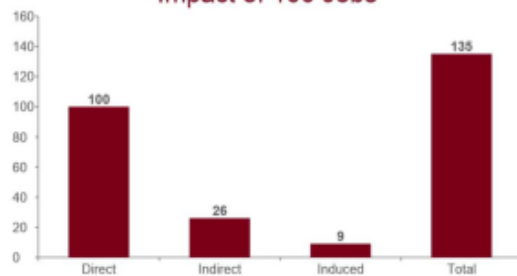


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*Census of Ag, 2017
IMPLAN, 2019 * EMB

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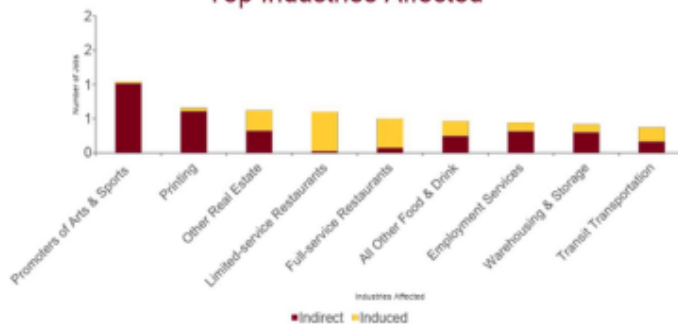
Racing and Track Operation Impact of 100 Jobs



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Racing and Track Operation Top Industries Affected



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