



**Committed to the future of
rural communities**



Scaling Up Regional Food Systems

**Solano & Yolo Counties Joint Economic Summit
November 16, 2011**

Dr. Glenda Humiston, State Director, California RD



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

Jobs, Economic Development and Sustainable Communities

Strategizing Policy Needs and Program Delivery for Rural California



Submitted by Dr. Glenda Humiston
State Director, USDA Rural Development
February 9, 2010



Committed to the future of rural communities.



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

Value Chain Opportunities



COE

CENTERS OF EXCELLENCE
Inform Connect Advance

ENVIRONMENTAL SCAN

AGRICULTURE VALUE CHAIN

California

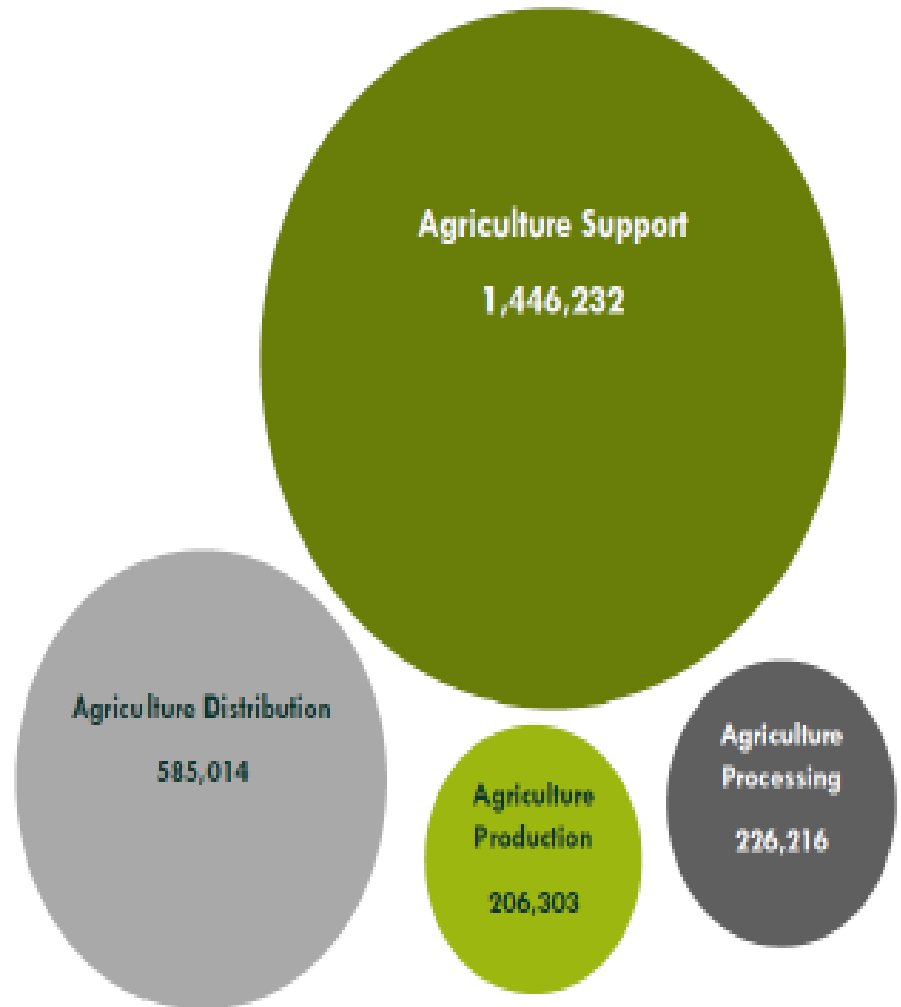
JUNE 2011



CENTER OF EXCELLENCE

Hosted at Modesto Junior College
435 College Avenue
Modesto, Ca 95350
(209) 575-6908
marquett@mjc.edu

www.coecc.net



2011 California Agriculture Employers by Sector

⁵ Source: EMSI Complete Data

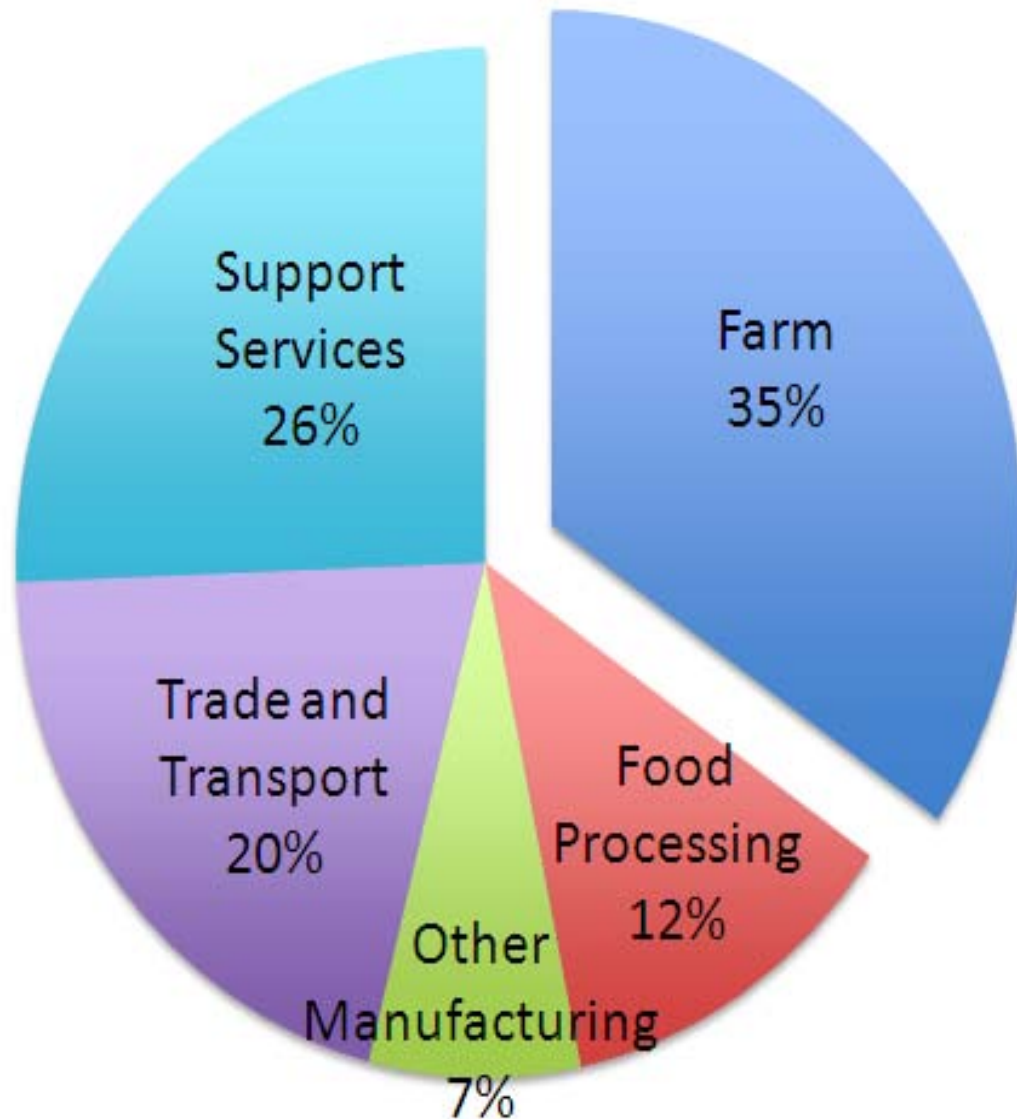
Value Chain Can Produce Jobs

Agriculture Value Chain Occupation Projections by Sector

Sector	2011 Jobs	5-Year New Jobs	Average Hourly Wage
Support	1,446,232	183,018	\$24.59
Production	206,303	-36,364	\$23.34
Processing/Packaging	226,216	5,173	\$23.49
Distribution	585,014	29,913	\$24.04
TOTALS	2,463,765	181,740	\$23.87

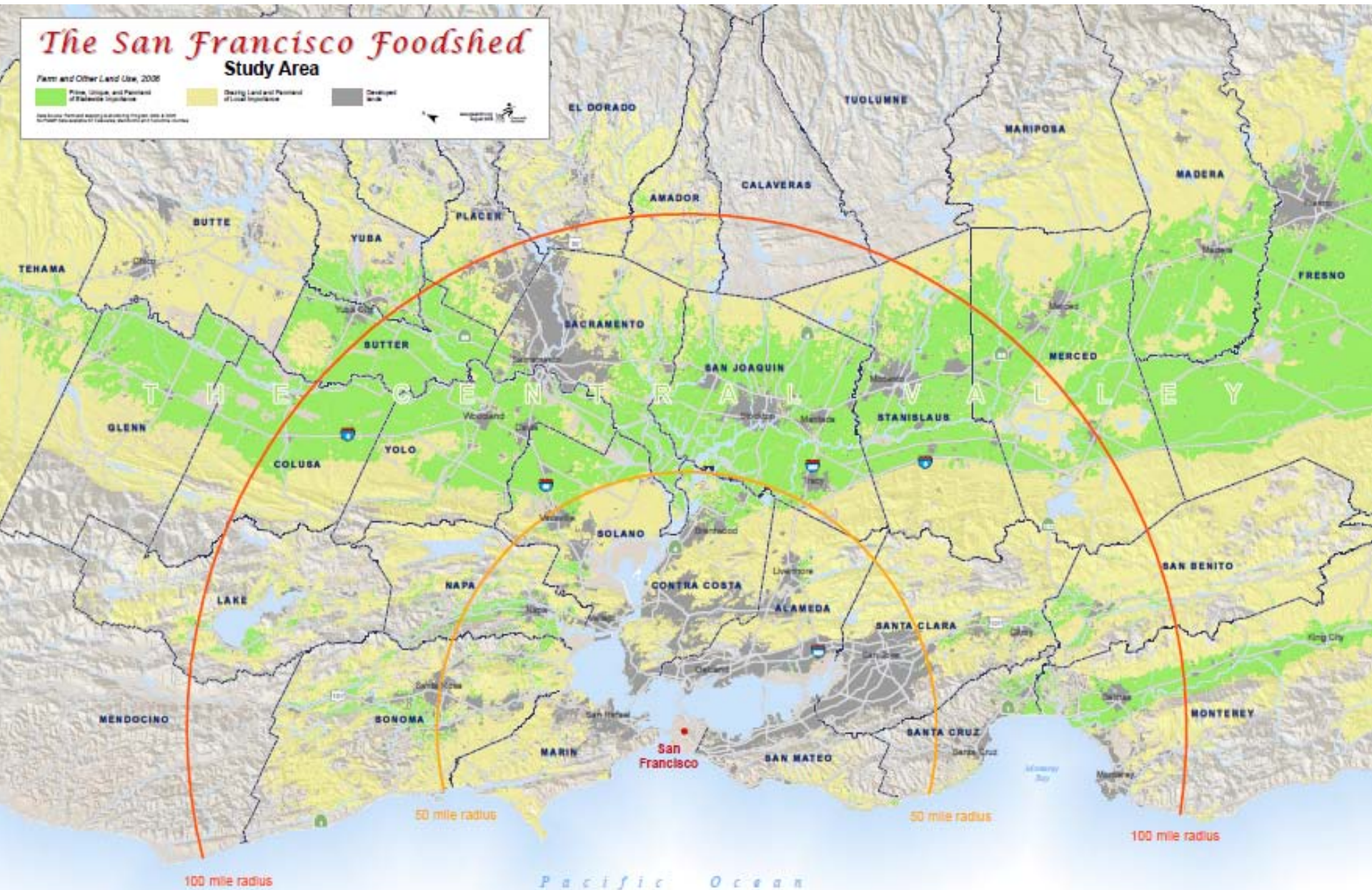
SOURCE: CA Center of Excellence

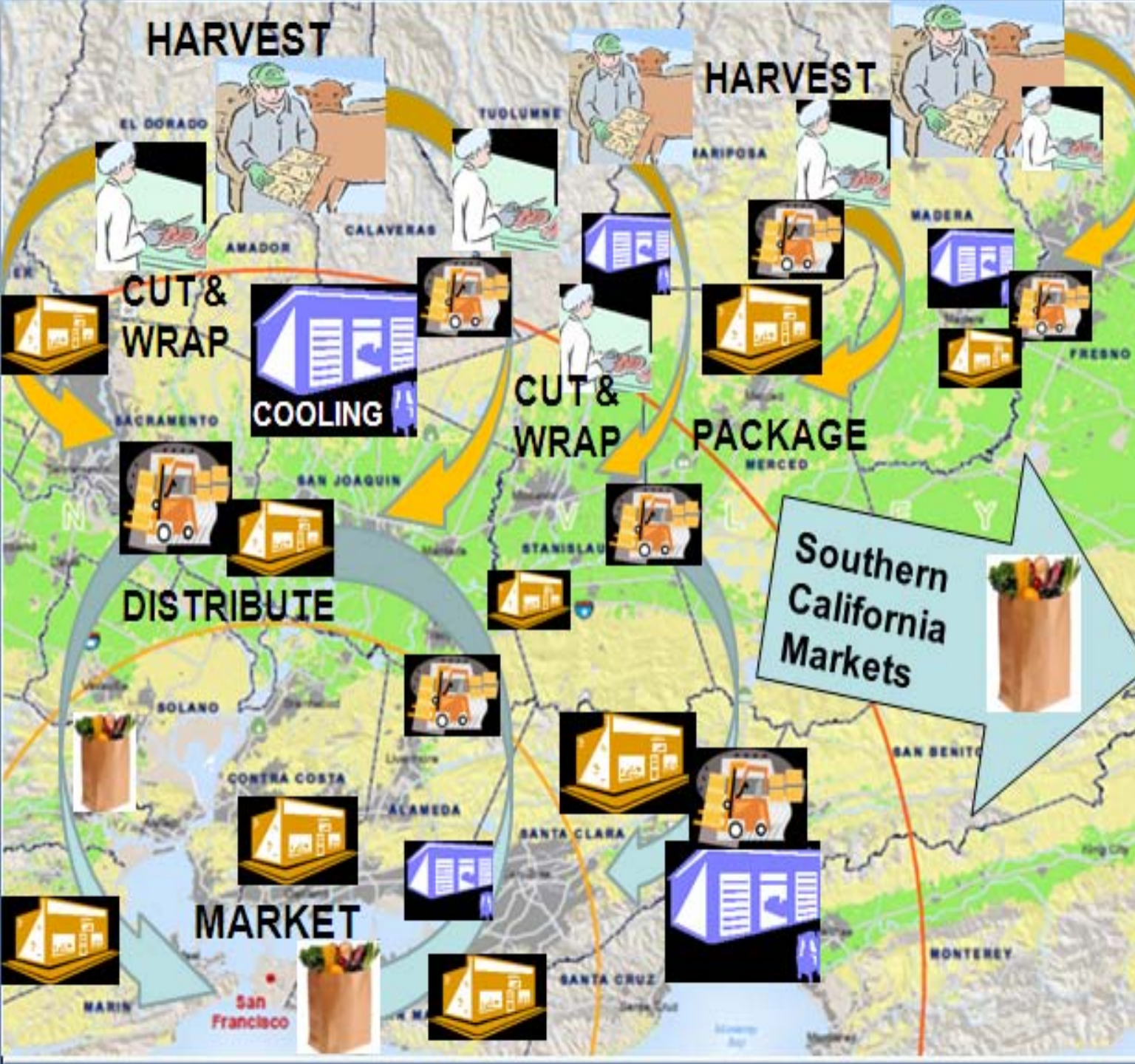
An Urban – Rural Partnership



Extrapolating
experience
with California
Ag Exports:
about 65% of
Jobs and
Economic
Activity will be
off the Farm

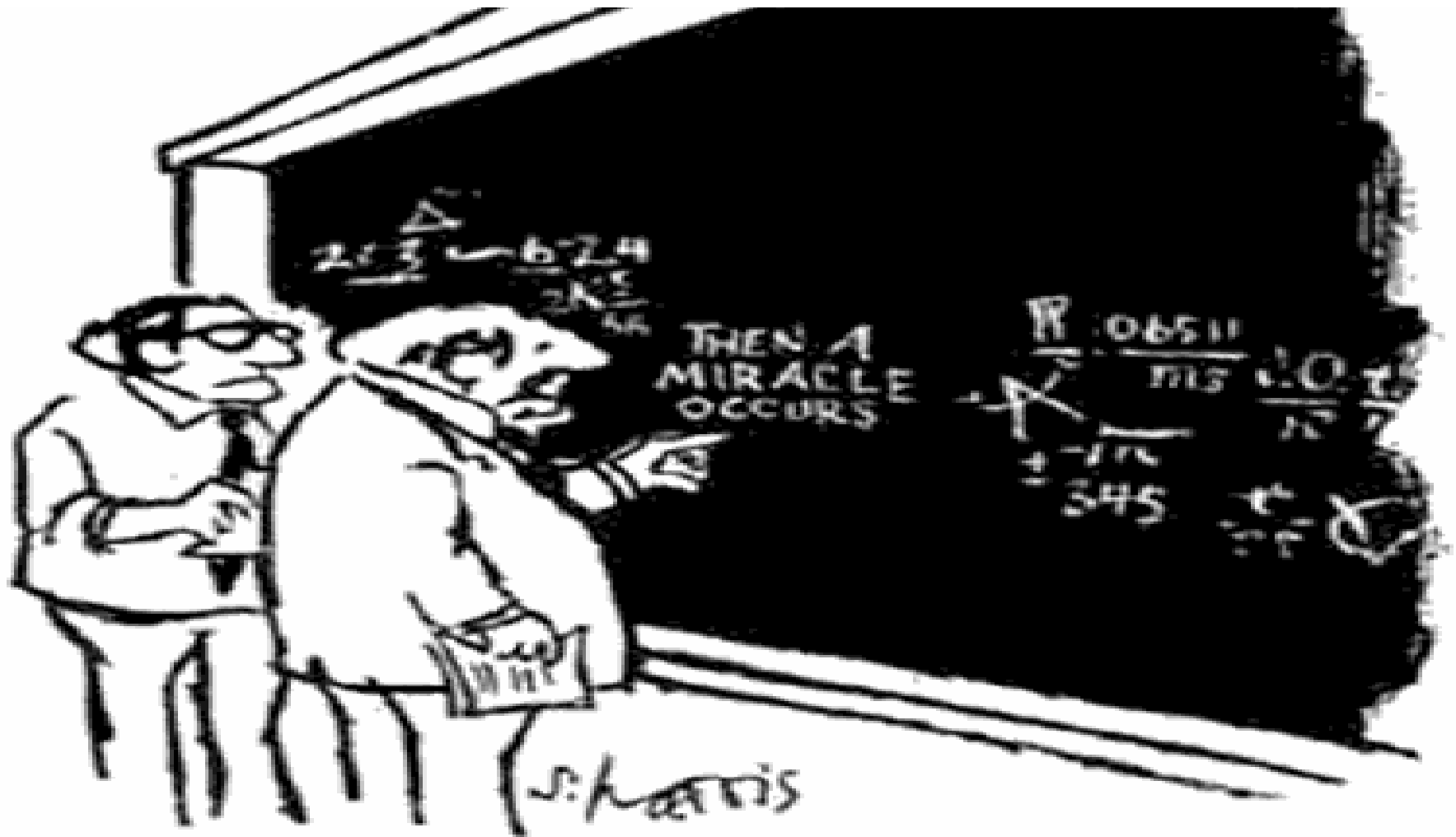
Policy Support for Regional Food Systems





- # **JOBS!**
- HUSBANDRY**
 - HARVEST**
 - PROCESS**
 - COOLING**
 - CUT & WRAP**
 - PACKAGE**
 - STORAGE**
 - TRANSPORT**
 - MANAGE**
 - DISTRIBUTE**
 - MARKET**
 - WHOLESALE**
 - RETAIL**
 - TOURISM**
 - SERVICE**
 - SUPPORT**
 - RESEARCH**

How Do We Get There??



"I THINK YOU SHOULD BE MORE EXPLICIT
HERE IN STEP TWO."

- ◆ Farmland Preservation & Conservation Easements
- ◆ Urban / Rural Partnerships
- ◆ Reputation for Excellence & Quality Through Marketing Campaigns
- ◆ Incentives for Agricultural Support Industries
- ◆ Use of Reclaimed Water for Irrigation
- ◆ And much more...



California Has Innovated 25+ Years

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

MY CUSTOMER IS MY COMMUNITY

THINK LOCAL Buy local BE LOCAL

Think Local First!

Our one-of-a-kind businesses are an integral part of our distinctive character.

WE DEPEND ON EACH OTHER

*"I love going to a production of the film *Thirteen* and then coming back to the store to see the cast eating my ice cream. Most of the money we spend on ingredients is paid directly to the farmers. We started buying Mike's don't buy fruits, organic, shade grown coffee when she was still reading in her garage - now she's in 100 locations across the country!"*

See Mikita, www, Mallard Ice Cream, and Trudy Baking, www, Mike's Ice coffee.

www.ThinkLocal.org

LOCALLY OWNED BUSINESS

SPEND \$100 AT A LOCAL BUSINESS



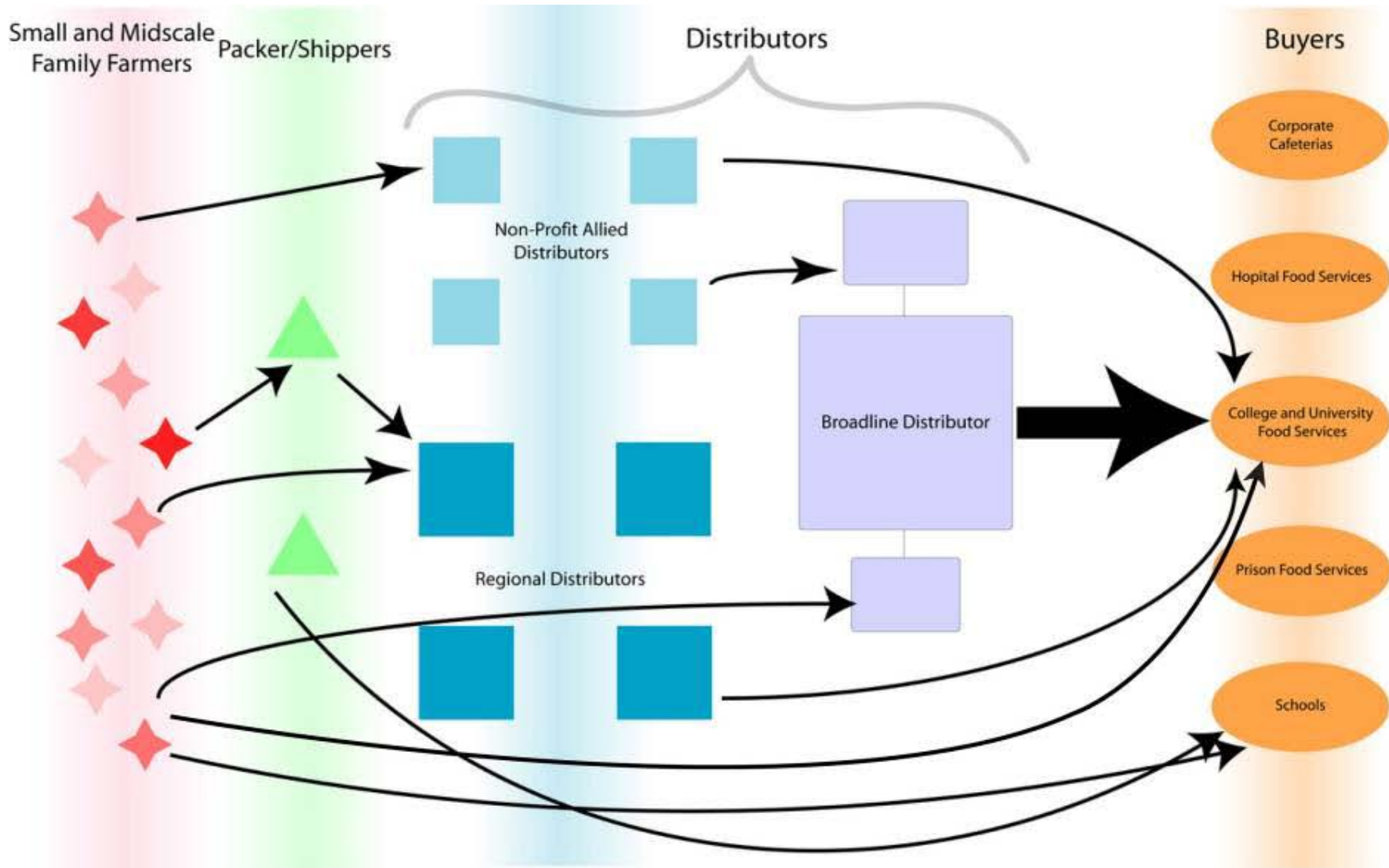
NON-LOCALLY OWNED BUSINESS

SPEND \$100 AT A NON-LOCAL BUSINESS



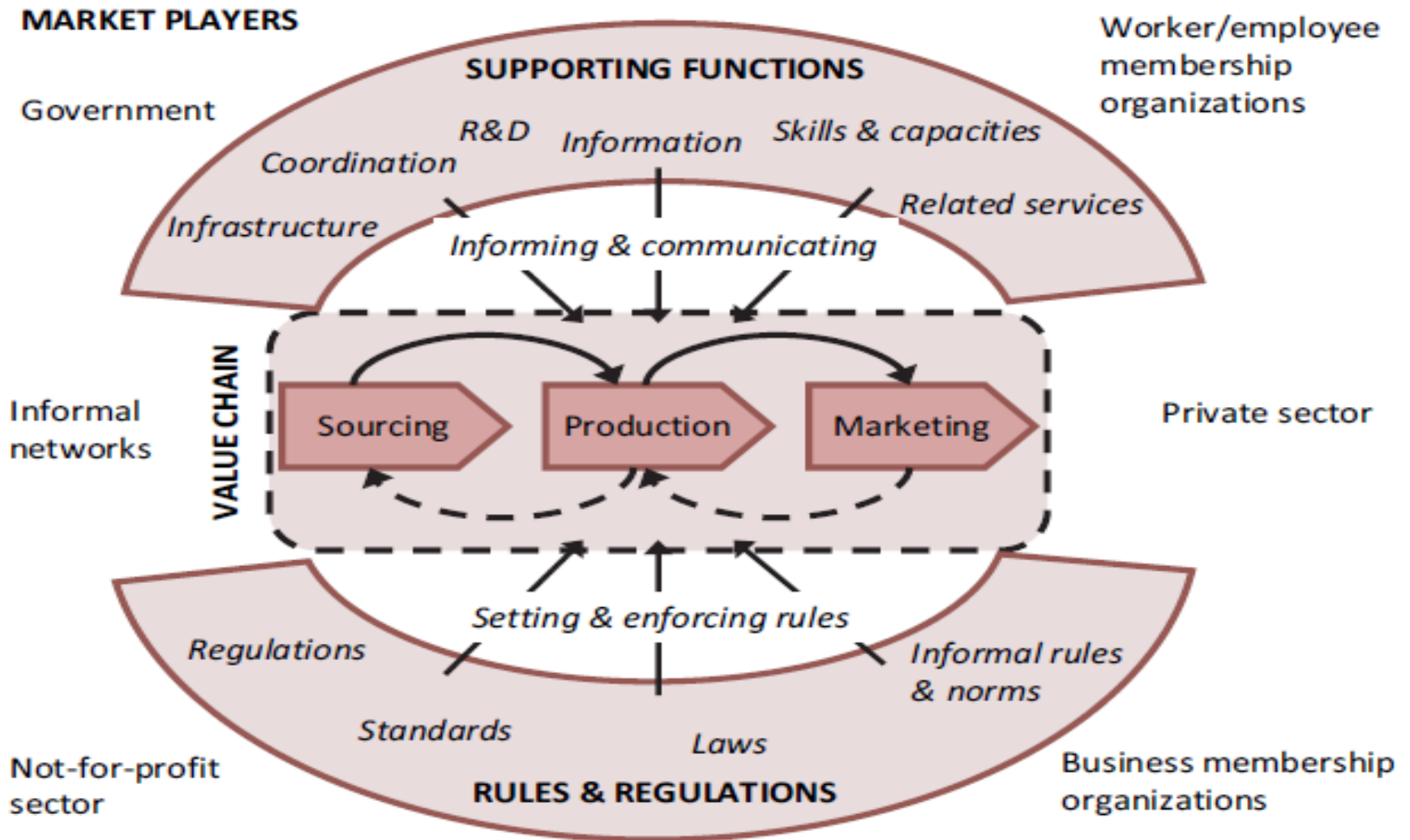
Power of the Multiplier Effect

Need New Produce Distribution Models



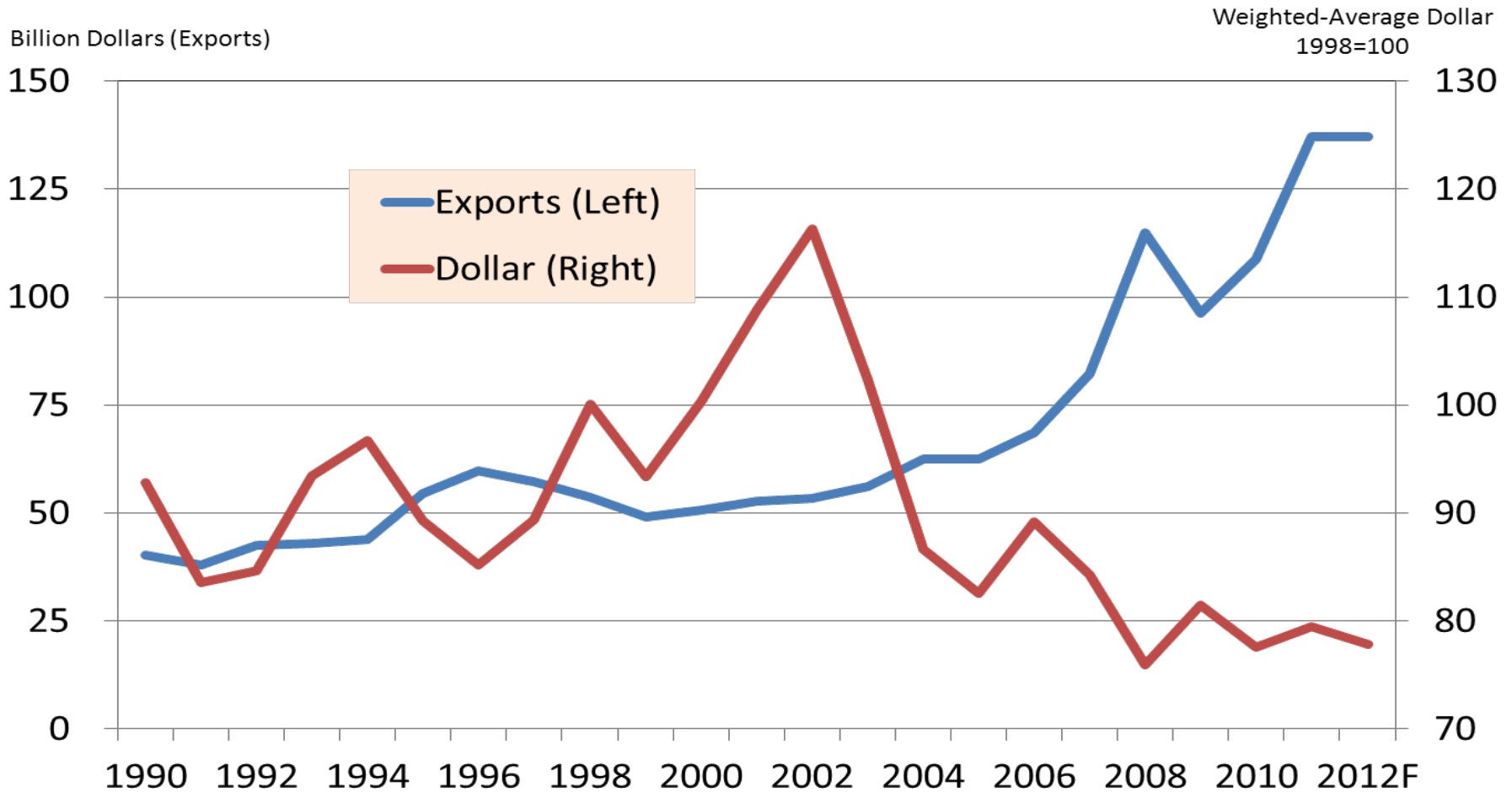
From: Feenstra, Gail, Patricia Allen, Shermain Hardesty, Jeri Ohmart, and Jan Perez. 2011. "Using a supply chain analysis to assess the sustainability of farm-to-institution programs." *Journal of Agriculture, Food Systems, and Community Development*, Vol 1(4). <http://dx.doi.org/10.5304/jafscd.2011.014.009>

Regional Food Systems Are Complex



SOURCE: DFID/SDC 2008: The M4P Operational Guide; available at: www.m4pnetwork.org

External Influences Can Be Strong



U.S. Agricultural Exports and the Dollar

Collaboration Stretches Finite Resources

Regional Exploits Economies of Scale

Only 2% of annual state job gains can be attributed to business relocations.

In reality most business growth is from:

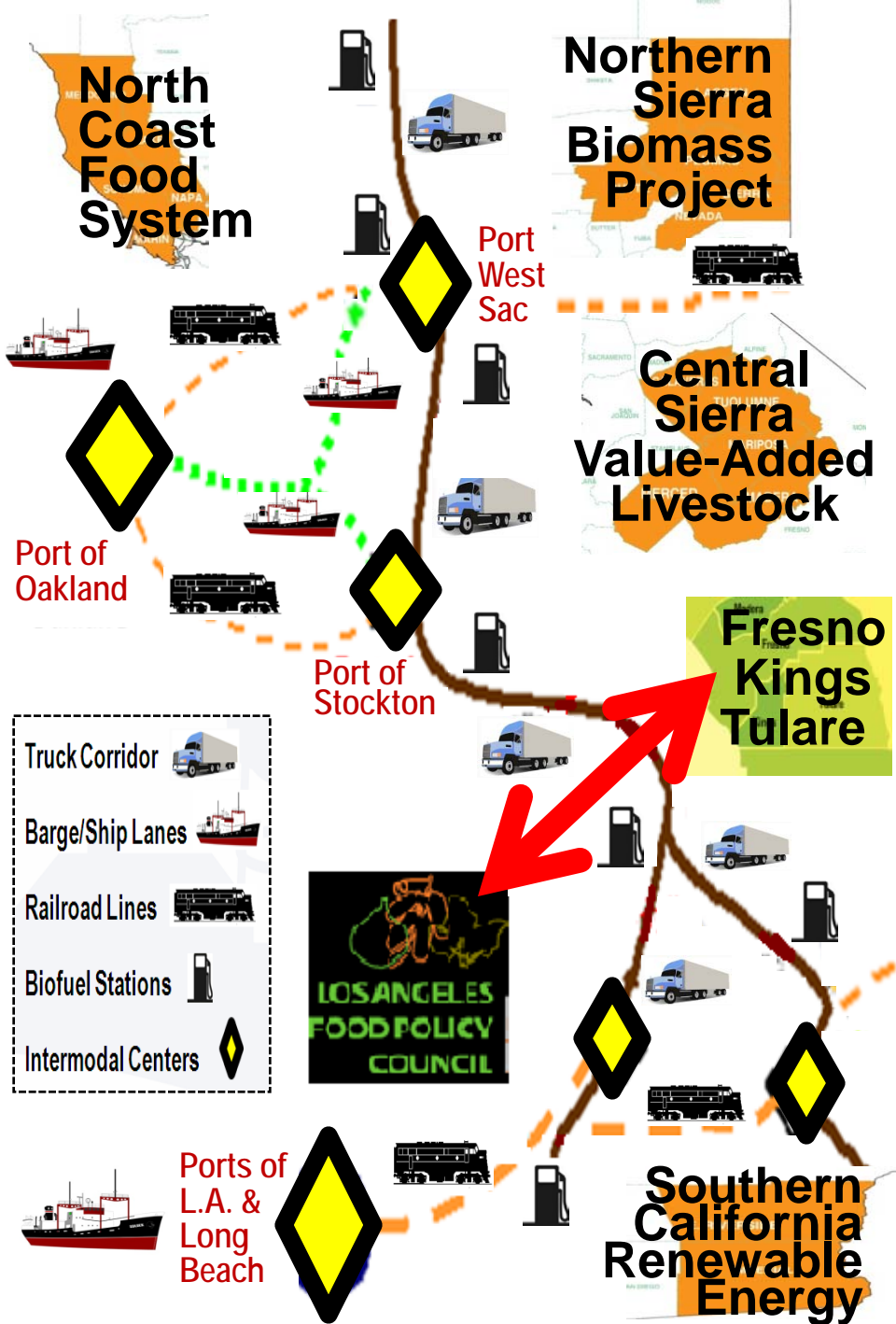
- expansion of existing businesses – 42%
- the birth of new establishments – 56%

Jed Kolko, “Business Relocation and Homegrown Jobs,”
Public Policy Institute of California, September 2010

“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

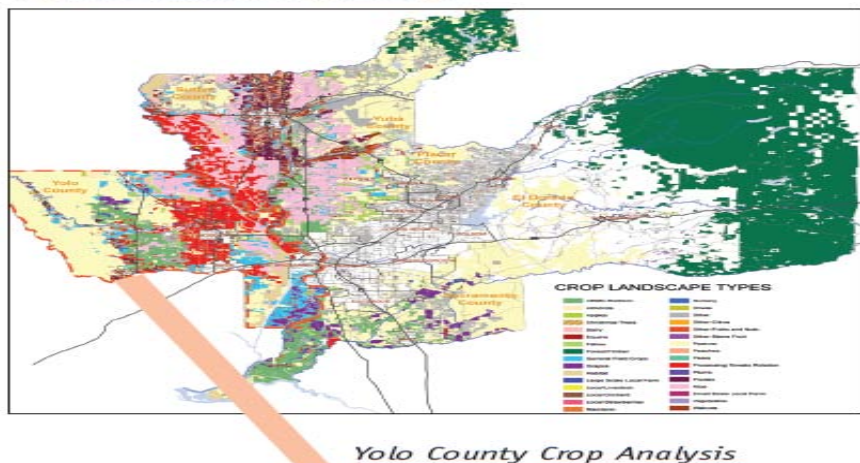




- Regional Collaboration on Needed Infrastructure
- Strategies that Promote Investment in Rural Areas
- New Financial Tools
- Relationship Capital Among Diverse Stakeholders
- Empower Local Leaders and Institutions to Improve Policy
- Economies of Scale
 - Utilize Cooperatives
 - Connect Local Food Access With Transportation for Export

Rural-Urban Connections Strategy

Sacramento Area Council of Governments • www.sacog.org/RUCS



- 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

PLACE³S

VIEW AGRICULTURE STATISTICS

CURRENT SCENARIO : TEST SCENARIO

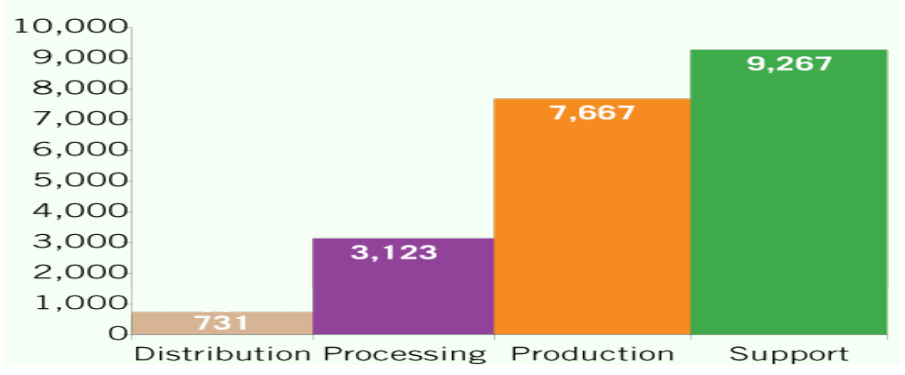
SHOW TRUCK TRIP DENSITY ON MAP | SHOW WATER USAGE DENSITY ON MAP | SHOW LABOR ETC DENSITY ON MAP

AGRICULTURE STATISTICS

PLACE TYPE NAME	ORACRES	YIELD	UNIT	YRVAL	SCGT	RETRN	% RETN/BL	WATER ACRES / FEET	LABOR ETC	TRUCK TRIPS
00. ALL OTHER	68,374	624,883	tons	\$76,178,130	\$91,028,218	\$15,850,088	17%	23,001.0	82.0	18,998
01. ALMONDS	13,842	30,071,920	tons	\$82,264,816	\$43,161,431	\$13,104,583	4%	24,078	158.8	534
02. APPLES	231	2,081	tons	\$4,207,398	\$4,111,528	\$95,880	2%	894	48.9	8
03. BARLEY	884	23,361	tons	\$1,013,747	\$786,968	\$225,779	33%	3,336	5.3	218
04. CORN	8,854	51,836	tons	\$6,619,332	\$7,818,758	\$1,200,426	18%	38,928	45.9	1,888
05. GRAPES	14,537	94,295	tons	\$32,048,474	\$24,418,107	\$7,630,367	24%	10,058	645.5	2,485
06. HAY	1,720	0	tons	\$0	\$0	\$0	0%	0	0.0	0
07. ORCHARD	1,198	5,978	tons	\$3,012,891	\$3,885,368	\$872,477	4%	3,321	18.5	8
08. OTHER FRUIT & NUTS	131	72,269	tons	\$708,950	\$845,374	\$136,424	19%	328	1.7	82
09. OTHER FRUIT & NUTS	876	1,095,234	tons	\$2,258,874	\$7,825,858	\$5,566,984	71%	2,434	5.7	87
10. PASTURE	248,997	38,331	tons	\$1,304,836	\$10,038,208	\$8,733,372	87%	0	0.0	0
11. PEACHES	71	1,265	tons	\$358,784	\$310,358	\$48,426	13%	349	4.8	45
12. PEARS	356	7,116	tons	\$2,058,337	\$1,863,703	\$194,634	9%	899	6.4	18
13. PINEAPPLES	3,830	9,681	tons	\$1,364,176	\$1,048,507	\$315,669	23%	8,301	48.3	255
14. POTATOS	28,152	1,405,481	tons	\$82,057,887	\$24,254,766	\$57,803,121	70%	181,794	518.1	8,704
15. RICE	28,872	2,076,845	tons	\$32,048,886	\$46,504,078	\$14,455,192	45%	121,252	82.3	5,180
16. RICE LOWLAND	13,381	367,835	tons	\$4,348,989	\$3,583,508	\$765,481	17%	0	12.0	505
17. RICE UPLAND	14,874	16,281,190	tons	\$9,148,925	\$8,920,570	\$228,355	2%	33,778	33.9	8
18. SOYBEANS	12,891	0	tons	\$0	\$0	\$0	0%	0	0.0	0
19. WHEAT	12,480	26,718,345	tons	\$41,237,180	\$25,571,227	\$15,665,953	38%	44,928	104.8	1,249
20. WHEAT	43,834	1,263,881	tons	\$17,265,883	\$12,520,333	\$4,745,550	27%	31,452	87.5	4,483
TOTALS	576,013			\$48,744,378	\$49,768,797	\$1,024,419	2%	65,202	1,284.5	8,978

Agriculture Industry Employment

Source EDD CRE Data





The GAMEchangers:
GROWCalifornia's 2011 Conference Series

AGRICULTURE INNOVATION

UC Davis  July 20 & 21



Is “Ag Valley” the next Silicon Valley?

**Moderator: Nicole Perloth,
Forbes Media**

**Dr. Spencer Maughan,
Venrock**

**Stuart Rudick,
Mindful Investors**

**Dr. Ron Meeusen,
Cultivian Ventures**

**Joe Hudson,
One Earth Capital**

**Craig Fourchy,
Ultra Gro Plant Food**

Growing Awareness of Opportunities

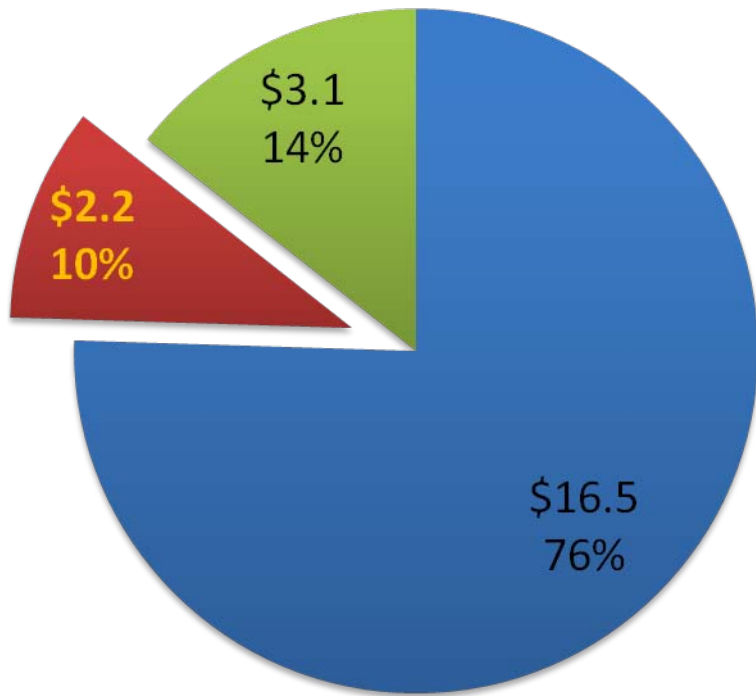
35 Year Trend in Exports

Long Term Shift To Consumer Foods

1975

\$ 21.8 Billion

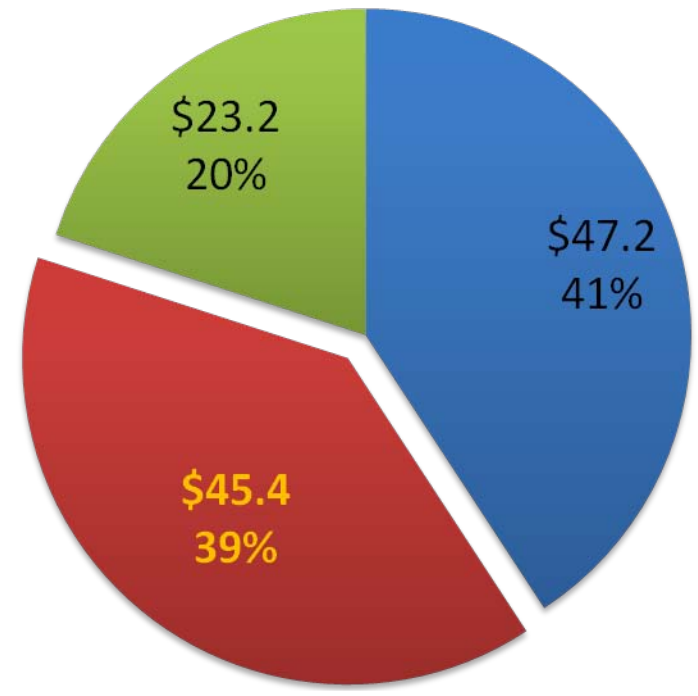
■ Bulk ■ Consumer ■ Intermediate



2010

\$ 115.8 Billion

■ Bulk ■ Consumer ■ Intermediate



“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. Congress can build on this success story with continued investments in USDA's trade promotion programs – which studies have shown return \$31 for every dollar we invest.”

Secretary Vilsack on the 2012 Farm Bill, October 24, 2012

NATIONAL EXPORT INITIATIVE

NEI

NATIONAL EXPORT INITIATIVE

www.export.gov

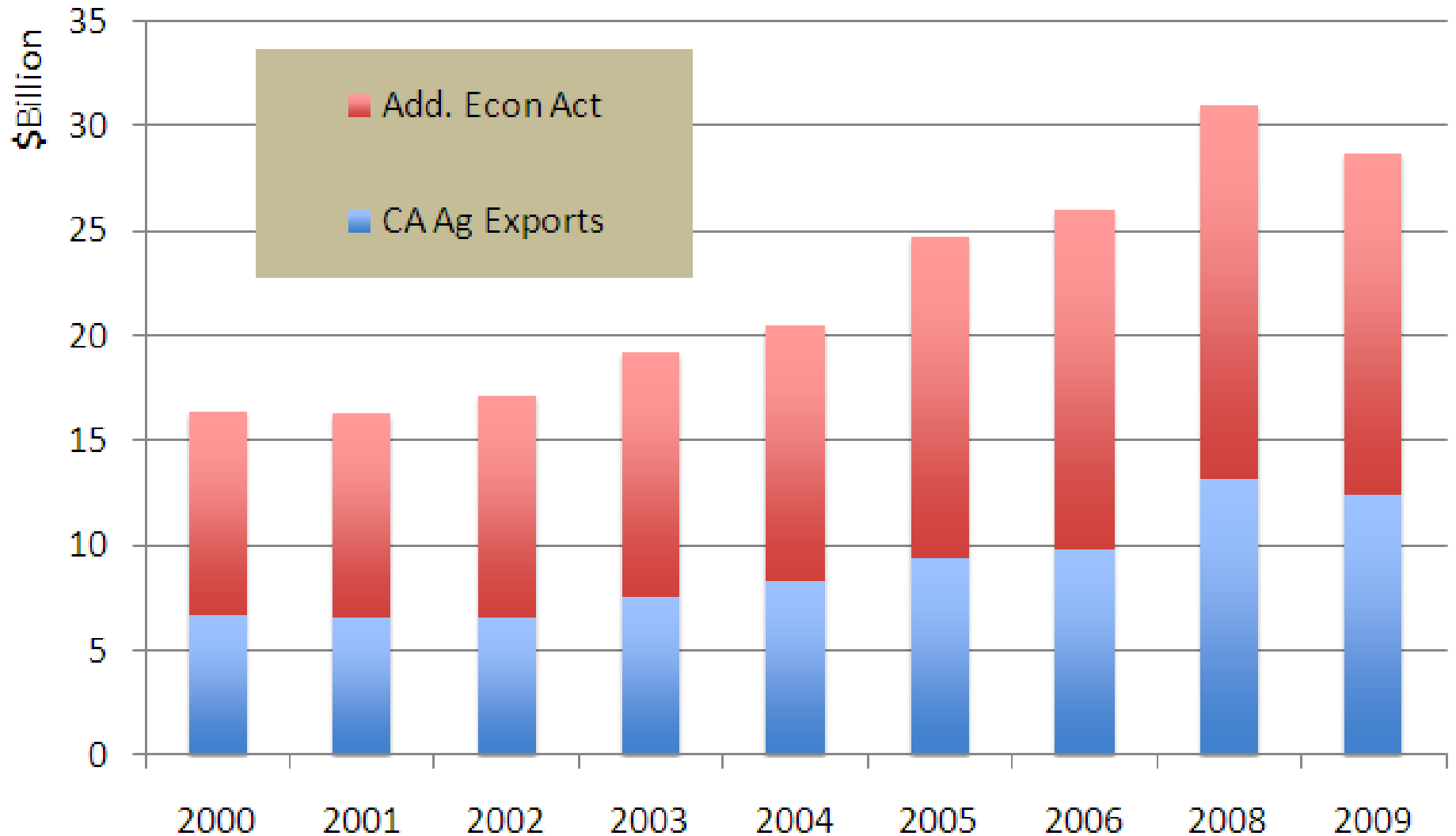


- Increase funding for export promotion and support activities.
- Advocate more effectively for U.S. products.
- Fight barriers that prevent U.S. companies from getting free and fair access to foreign markets.
- Create an Export Promotion Cabinet reporting directly to the President consisting of top leaders from USDA, Commerce, State, Export-Import Bank, U.S. Trade Representative, SBA, etc.

California Ag Products in Demand



Economic Impact of California Agricultural Exports



Source: USDA Economic Research Service



Monday, November 14, 2011

UP LINKS

[Reducing Air Pollution - ARB Programs](#)

[Climate Change GHG Sectors](#)

[Fuels](#)

[Low Carbon Fuel Standard](#)

PROGRAM LINKS

[Background](#)

[Existing Fuels Regulations](#)

[Guidance Documents](#)

[Method 2A-2B](#)

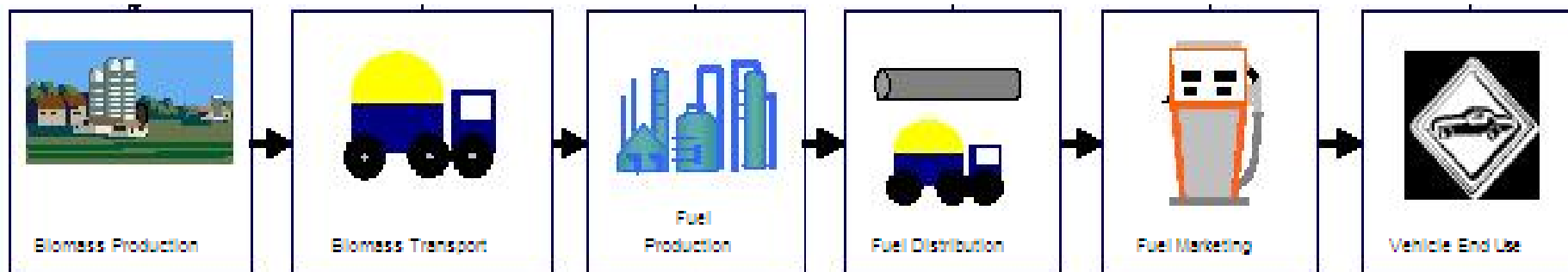
[Modeling Softwares](#)

Register Your Biofuel Facility

This page last reviewed May 20, 2011

The Biofuel Producer Registration (registration) is a voluntary, non-regulatory program created to assist regulated parties subject to the Low Carbon Fuel Standard (LCFS) regulation. The registration is intended to serve only as a clearinghouse of biofuel producers, both within the State (i.e., regulated party biofuel producers) and without (i.e., regulated party or non-regulated party biofuel producers). The Registration Form is for use by any such biofuel producer to voluntarily register its facilities that produce ethanol or biomass-based diesel fuel that is or can be sold, supplied, or offered for sale in California. Registration involves providing to ARB the Carbon Intensity (CI) values and an Initial Demonstration of the Physical Pathway (how the fuel arrives in California) for the fuel(s) produced at their facilities.

[Important Note to Biofuel Producers and Purchasers of Biofuels](#)





Biomass Value Chain Opportunities

• Value-Added Wood Products → Manufacturing

• **Slash Removal:** →

• Biomass Products → On-Site Processing

• Fire Reduction → Save Cost of Fires, Insurance, etc.

• Water Production → Ecosystem Credits

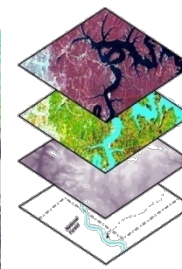
• Wildlife Habitat → Tourism

PRODUCTS

- OSB
- Pellets
- Heat
- Electricity
- Compost
- Biofuels
- BioChar
- Polymers
- Composites
- Biochemicals

JOB

- Trucking
- Manufacturing
- Distribution
- Storage
- Repair
- Management
- E-Commerce
- Support Services
- And More...

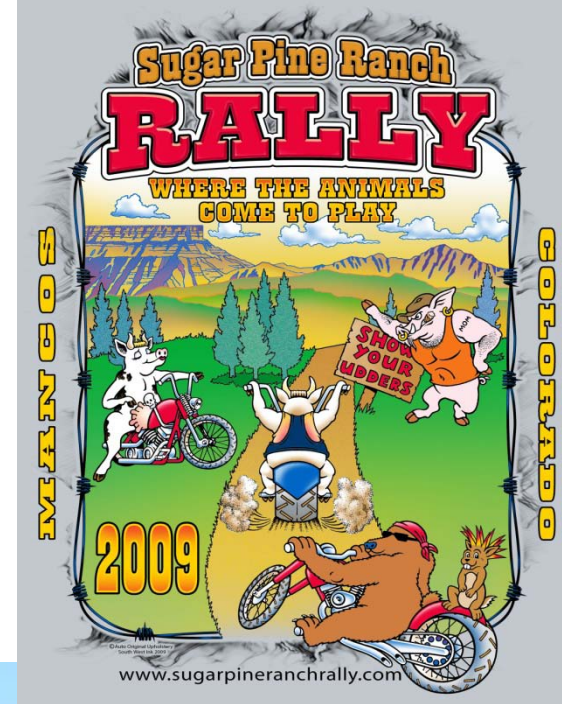


Power Plants Around the World

SUGAR PINE RANCH RALLY
MANCOS, COLORADO



Agro-Tourism: A Motorcycle Rally on the Cattle Ranch to augment income!





Dove Creek, Colorado

Pinto Bean Capital of the World

Dry-land farms – depending solely on rainfall, not irrigation – require hundreds of acres to break even; **a typical harvest of 100 pounds of beans brings about \$20-25.**

Adobe Milling brings the warmth of Southwest Colorado into your kitchen! Take a stroll around our site and see all the great products we have to offer, Cookbooks, gourmet legumes ranging from anasazi and bolita to pinto and black turtle, hot sauces and more!





native coffee traders



“Drinking a cup of gourmet coffee may not save the world, but Native Coffee Traders has found a way to help 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.”

native coffee
organically grown



ancient trails

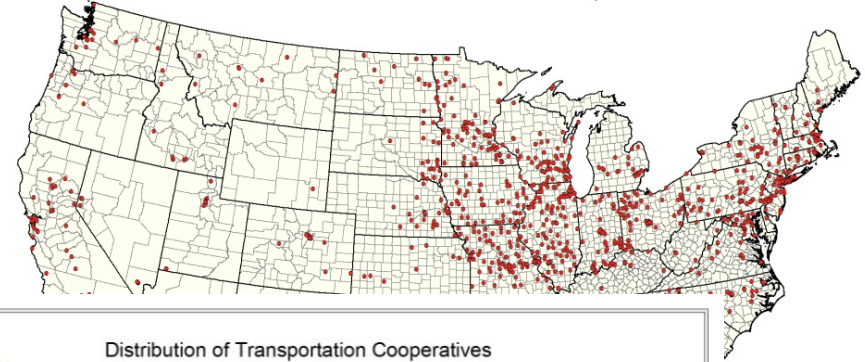
Purchasing cooperatives include:

- **Ace Hardware,**
- **The Bike Cooperative,**
- **Unified Grocers**
- **and many more.**

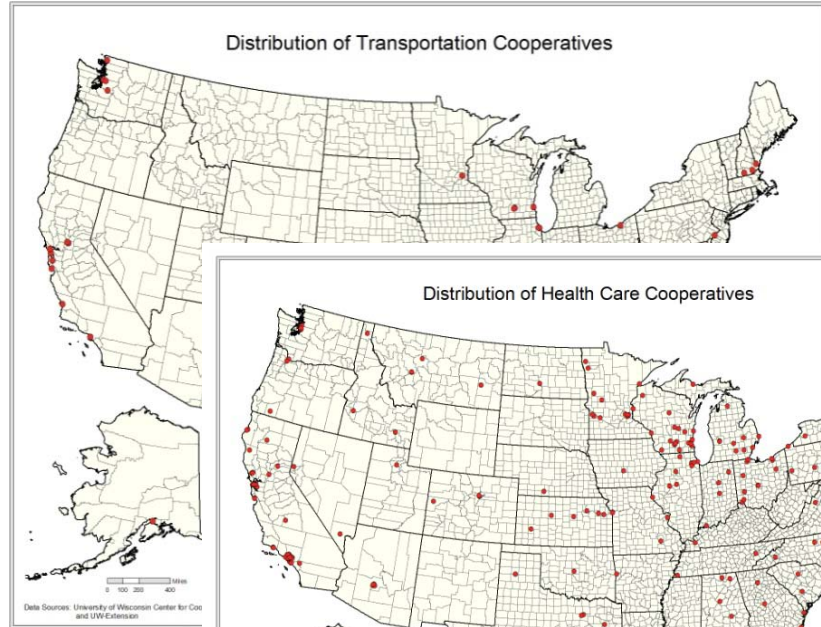
Worker cooperatives include:

- **bicycle & book stores,**
- **small retail businesses,**
- **fair-trade coffee roaster,**
- **a taxi company,**
- **an engineering firm,**
- **...and an adult theatre.**

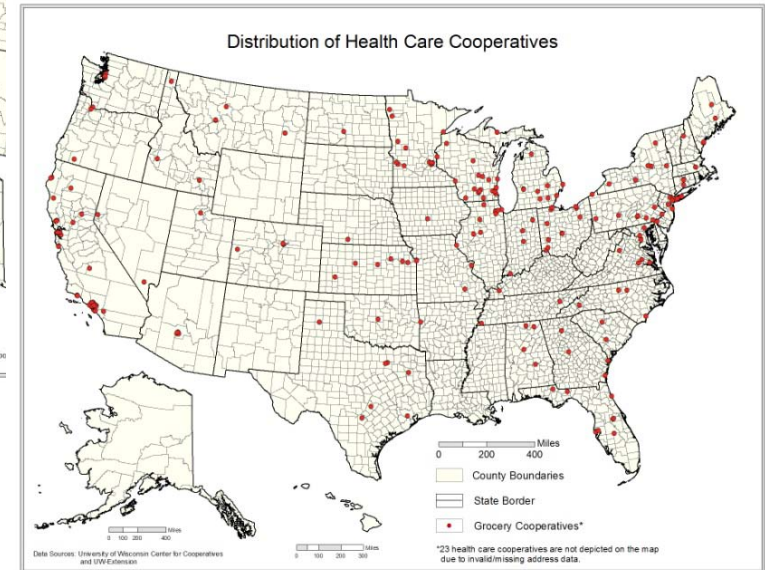
Distribution of Mutual Insurance Companies



Distribution of Transportation Cooperatives



Distribution of Health Care Cooperatives



Coops Can Do Many Things!



Agricultural Innovation Technology Program



- Collaborate on Research and Development
- Quickly Move New Technology into Commercialization

Public – Private Partnerships

Accessing Capital Will be Crucial

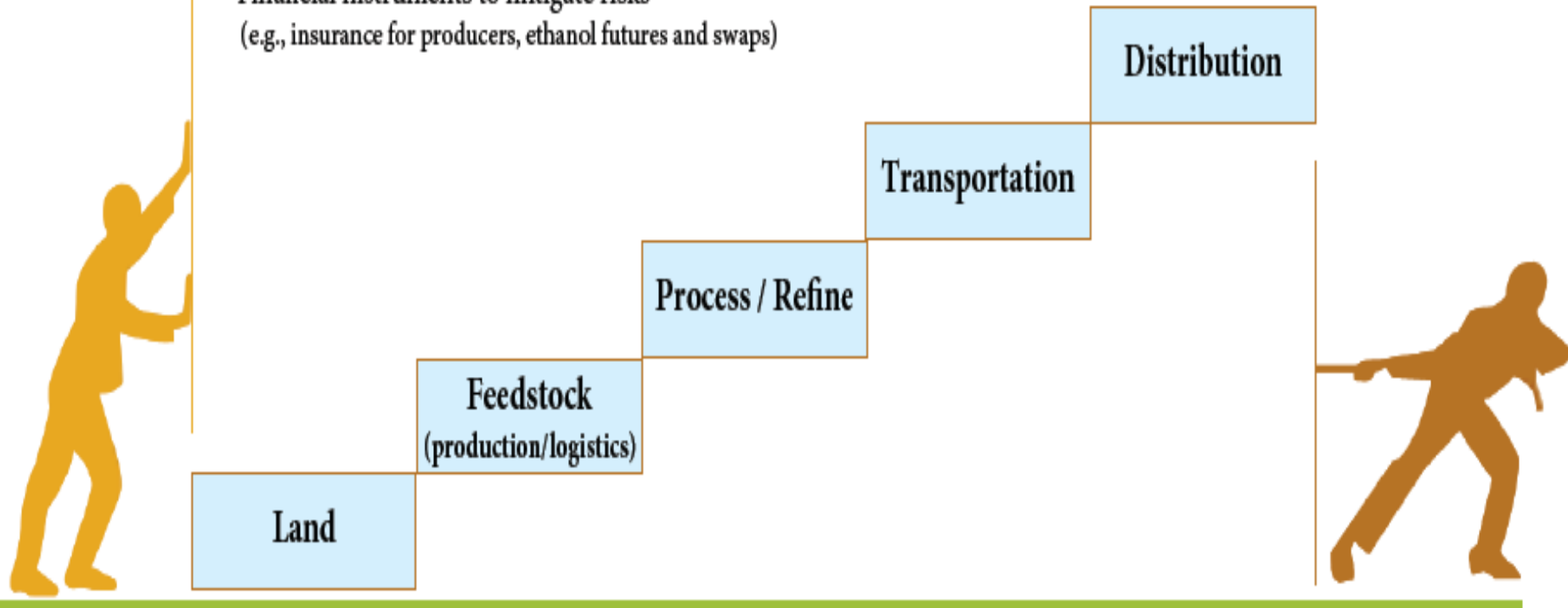
Supply side:

Reducing costs and increasing access to finance

- Venture capital
- Equity financing
- Revolving funds
- Producer crop credits
- Financial instruments to mitigate risks (e.g., insurance for producers, ethanol futures and swaps)

Demand side:

- Government mandates
- Request for proposal
- Tax rebates
- Infrastructure (e.g., installing pumps)
- Consumer awareness



USDA Loan Guarantees and Intermediary Relending



California USDA Rural Development & the Federal Reserve Bank of San Francisco

FINANCIAL OPPORTUNITIES ROUNDTABLE

CalFOR aims to develop tools and strategies that will:



- Mobilize capital markets
- Capture local investment potential
- Fuel regional economic growth

**DIRECT
PUBLIC
OFFERING**

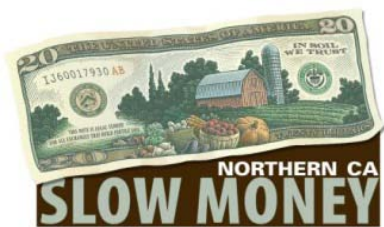


- Impact Investing
- Expanded Use of Bonds
- Retirement Accounts Invested Locally
- Program Mission Related Investments



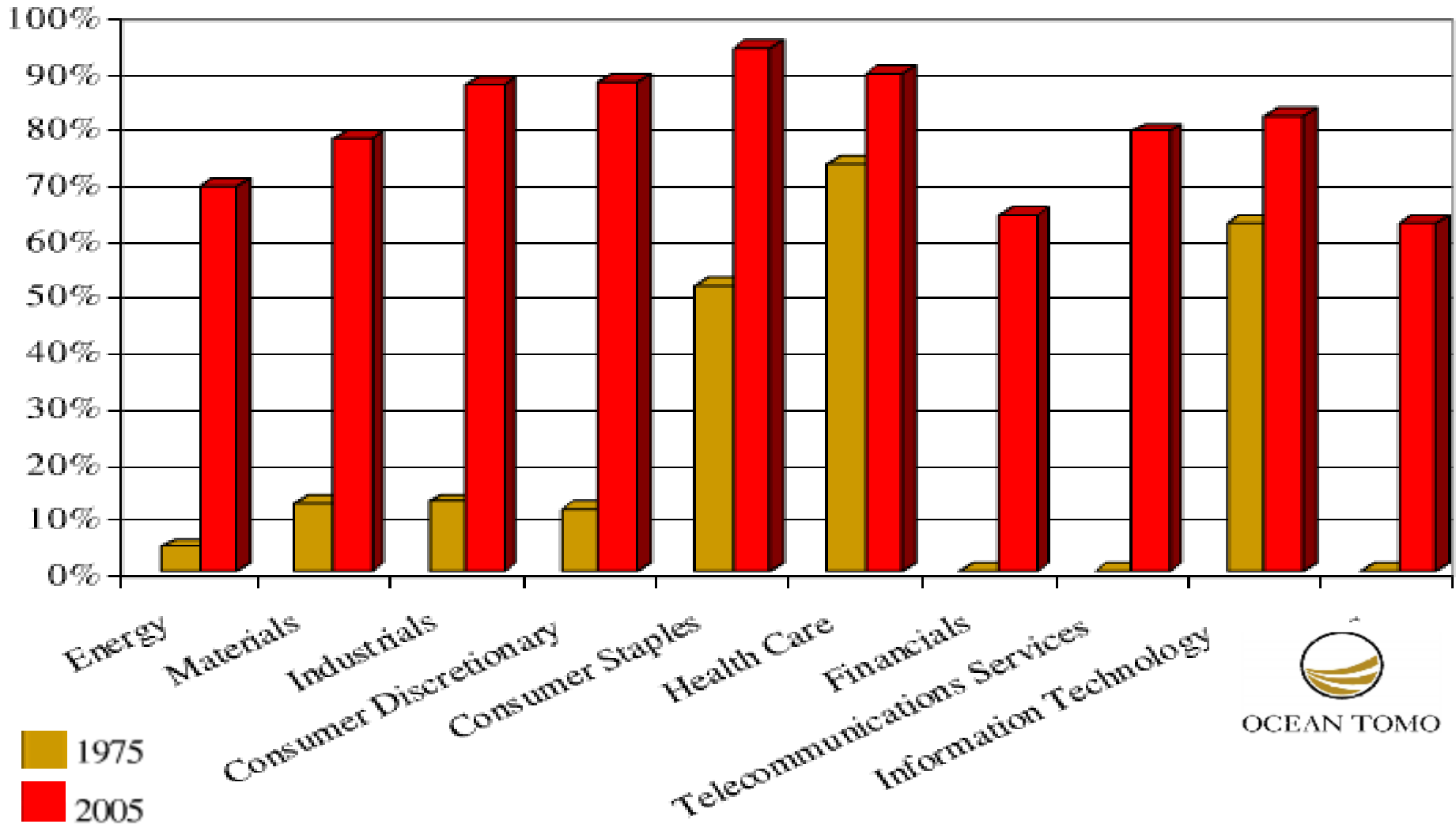
**LEVERAGING NEW MARKET
TAX CREDITS (NMTC)**

• and ???



Bringing OUR Capital Home

Need to Capture the “Intangible Capital” Growing in All Sectors



Intangible Value as a % of Total Market Capitalization

We Have “Intangible Capital” in Abundance!



Human Capital

Competencies
Experience
**Management
skills**



Structural Capital

**All captured
info and
knowledge**
Processes
**Intellectual
Property**



Relationship Capital

Customers
Vendors
Partners
Brands
Reputation

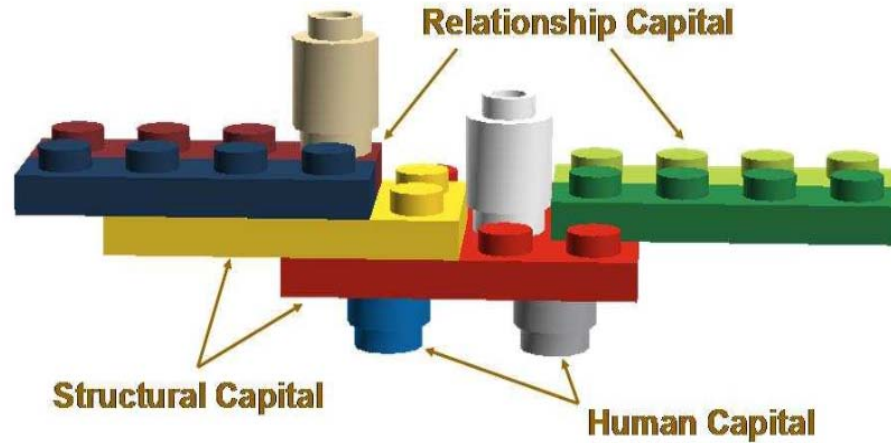
However: Taken for Granted and Receives Little Investment

**Resource
Conservation &
Development
Councils**

**Community
Colleges &
Job Training**

**Economic
Development
Corporations**

**Local
Government**



NonProfits

**State &
Federal
Programs**

**Venture
Capital
& Micro-
Finance**

**Micro
Enterprise
Support**

**Financial
Institutions**

BALLE

**Research
Institutions**

CAMEO

**Cooperative
Extension**

GoED

Diverse Collaboration Working Together



Committed to the future of rural communities



**California Rural Development
U.S. Department of Agriculture
430 G Street, Agency 4169
Davis, CA 95616**

Phone: 530-792-5800

www.rurdev.usda.gov/ca