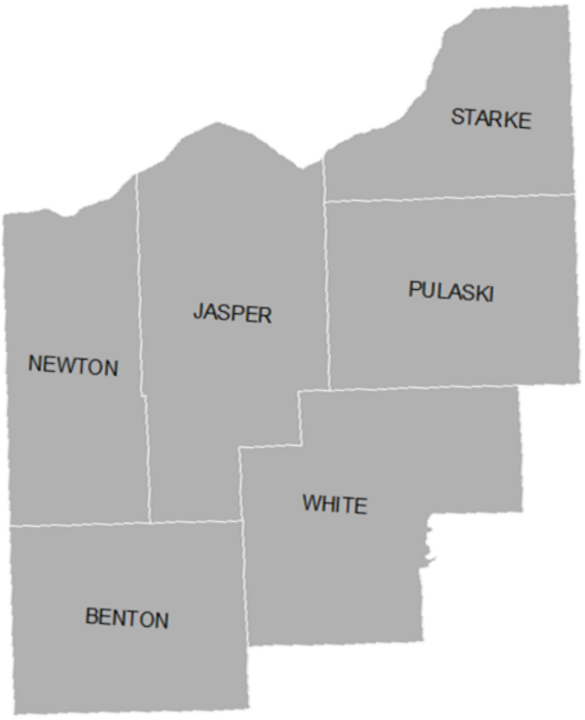
Rural Economic Development Model

KIRPC AG REGION

Kankakee-Iroquois Regional Planning Commission



AGRICULTURAL STRATEGY 2022

12.30.2022

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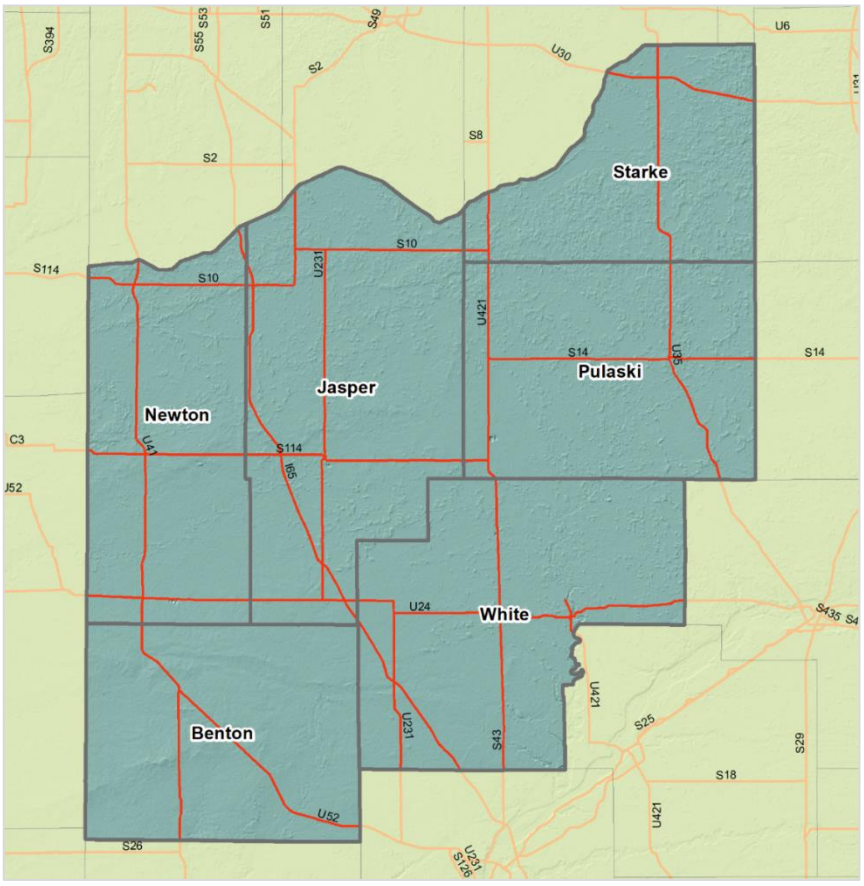
EXECUTIVE SUMMARY



The Kankakee-Iroquois Regional Planning Commission (KIRPC) Ag Region (the 'Region') comprises six primarily rural counties in northwestern Indiana: Benton, Jasper, Newton, Pulaski, Starke, and White.

Task Force members reviewed relevant industry data, developed a uniform survey tool, and visited 49 local agribusinesses and allied industries.

After listening to concerns of these regional businesses and exploring future opportunities, the Task Force identified ways local and regional economic development professionals and partners could support the long-term sustainability and growth of these and other businesses and the regional economy through an enhanced focus on agricultural development. Key insights from the company interviews were shared by the Task Force members and the qualitative outcomes are included in **Appendix A**. Participating businesses were afforded a clearer view of the tools that local governments and economic development organizations possess to assist in promoting the agribusiness industry cluster, especially given the prominent agriculture presence in the Region.

The REDM Process

The rural economic development model ('REDM') is a framework developed by a partnership of agricultural organizations, including the Indiana Corn Marketing Council, Indiana Economic Development Association, Indiana Farm Bureau, Indiana Office of Community and Rural Affairs, Indiana Soybean Alliance, Indiana State Department of Agriculture, and Purdue Center for Regional Development, to guide communities in the development of agricultural strategies for rural regions. Self-selected regions analyze data in an effort to discover their major agricultural assets and work to attract value-added agriculture — agribusiness and food-processing facilities and their connected supply chains — that fit with the Region's capacity, vision, and needs.

Agriculture, as a leading Indiana economic sector, is shaped by world-renowned agribusiness firms, strong trade and membership organizations, productive farmers and soil, thoughtful

and skilled leaders in public and private arenas, and innovative entrepreneurs. Agricultural strength is prevalent in the Region, and the Task Force's goal in implementing the REDM is to identify the ag assets (raw materials) and resources that will help leaders to develop the policies, infrastructure, sites, and support needed to create long-term improvements in their rural economies.

The REDM process focuses on the following components:

- **Assets** – Understanding a region's core industry clusters, agricultural output, and supply chains is key for attracting and growing investment.

- **Policy** – Agriculture processing may require specialized policy provisions such as changes to zoning standards or target-specific environmental provisions. Reviewing local zoning, development standards, and other relevant policies and crafting responsible, flexible amendments as necessary is critical for facilitating the expansion of current industry or attraction of new, targeted industry.

- **Infrastructure** – Agriculture and ag-based business may require a different infrastructure footprint than other industry. Verifying that local infrastructure can meet the needs of growing agribusiness operations and planning for development to allow these needs to be met is crucial for successful and sustainable growth.

- **Sites** - The development of sites that meet the unique needs of targeted industries in a way that protects existing uses in the community is necessary for growth opportunities that meet the needs of targeted industries and the Region's communities.

KIRPC AG REGION BUSINESS SNAPSHOT

A review of two KIRPC Ag Region business data sets provides valuable insights as to why an ongoing focus on retaining and expanding existing companies makes sense. The first examines changes occurring in the number of jobs and the factors fueling the growth and decline of jobs in the KIRPC Ag Region (**Table 1**). The second reviews the distribution of existing firms in the region by stages, from the self-employed to enterprises employing 500 people or more (**Figure 1**).

Table 1. Changes in Jobs (2004 thru 2019)

Jobs	Factors	KIRPC Region
Gained by	New Startups	3,995
	Expansions and Spinoffs	2,063
	In-migration	251
	TOTAL GAINED	**6,309**

Lost by	Closings	5,011
	Contractions	1,290
	Out-migration	413
	TOTAL LOST	**6,714**
Net change		**-405**

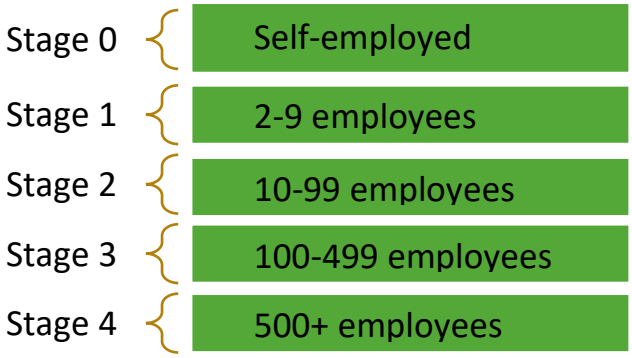
Source: YourEconomy.org: http://youreconomy.org/

Between 2004 to 2019, the churning of jobs in the region was rooted in a number of factors. The top panel of Table 1 outlines the causes of gross job increases in the Region. More than three in five new jobs came from startups, with the bulk of the remaining positions established by the expansion of or spinning-off from existing regional firms.

The bottom panel of Table 1 highlights job losses occurring in the region over the same period. Business closures were the primary contributors to job losses, accounting for 75 percent of all reductions. About one in five lost jobs is attributable to the downsizing of existing companies. All told, the economic shifts taking place in the KIRPC region from 2004 to 2019 resulted in a net decrease of 405 jobs in business establishments.

Jobs in the KIRPC Agriculture Region by Employment Stages

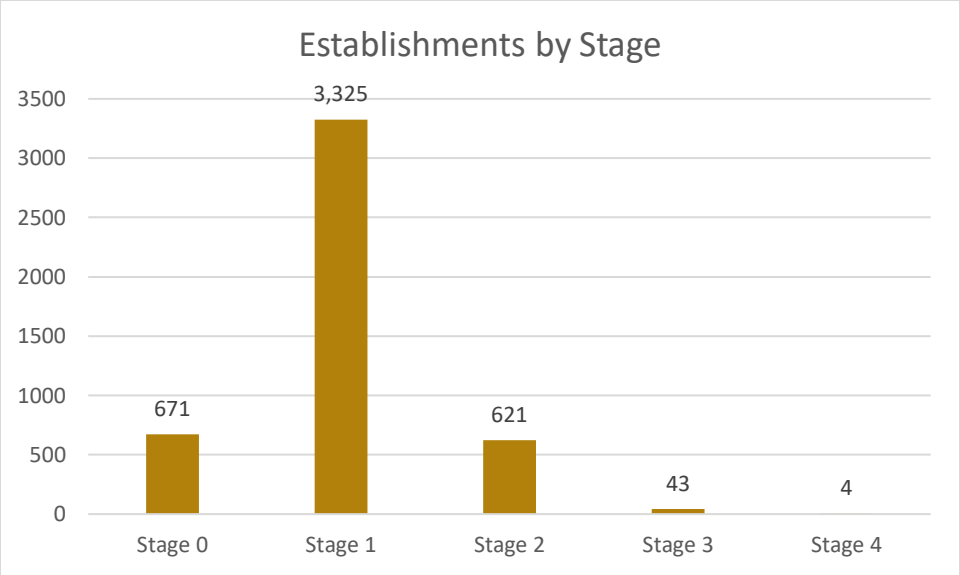
In reviewing job changes, it is useful to assess the size of firms that may be associated with jobs. This can be done by delineating the number of employees by five employment stages as shown in the diagram to the right.



The second part of the analysis highlights companies and stages in the KIRPC Ag Region for 2019 (**Figures 1 and 2**).

Figure 1 examines the number of establishments in the Region. More than 70 percent of companies were Stage 1, with Stages 2 and 3 combined accounting for about a quarter of all firms. Less than one percent of all companies have grown to Stage 3 or 4.

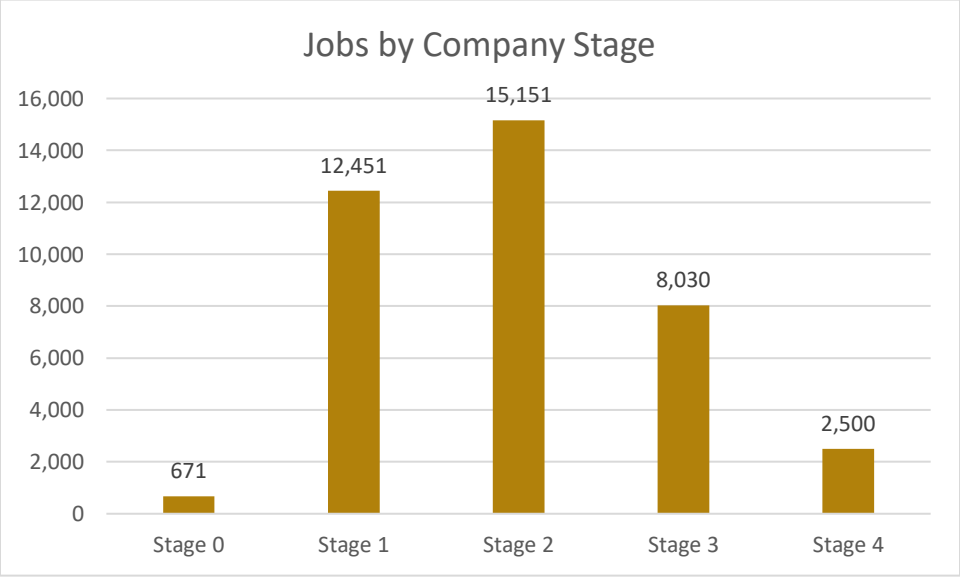
Figure 1. Companies by Stages (2019) – KIRPC Ag Region



Source: YourEconomy.org: http://youreconomy.org/

Figure 2 focuses on the number of jobs by company stage. In the Region, Stage 2 firms accounted for nearly 40 percent of all employment, with Stage 1 companies accounting for another one-third. Less than two percent of the regional workforce was self-employed.

Figure 2. Jobs by Stages (2019) – KIRPC Ag Region



Source: YourEconomy.org: http://youreconomy.org/

The Purdue Extension Business Retention and Expansion (BR&E) program specifically targets Stage 1 and 2 firms. Figure 2 highlights that, like many communities in Indiana, the Region sees most of its employment with Stage 1 and 2 firms. As such, a BR&E emphasizing growth within these stages makes sense for regional policymakers, economic developers, and partners. Identifying the factors that limit the growth, or even threaten the continued existence, of some Stage 1 and 2 companies would be an efficient, cost-effective strategy for promoting economic growth aligned with existing regional trends, values, and expectations.

In the following sections of this report, we outline the purpose and key objectives of the Purdue Extension Community Development BR&E program. We then discuss the five critical phases of the BR&E program, a framework used to describe the step-by-step process employed in the Region and to showcase the results of the effort.

Regional Data Overview

The KIRPC Ag Region includes six of the eight counties within the Kankakee Iroquois Regional Planning Commission (Region 4). KIRPC REDM Task Force members reviewed demographic and industry data to assist them in determining the focus of their efforts; they identified four industry clusters as being most relevant to the value-added supply chain of the Agribusiness, Food Processing & Technology Cluster:

- Energy (Fossil & Renewables),
- Machinery Manufacturing,
- Transportation Equipment Manufacturing, and
- Transportation & Logistics.

Key Data Highlights (2020)

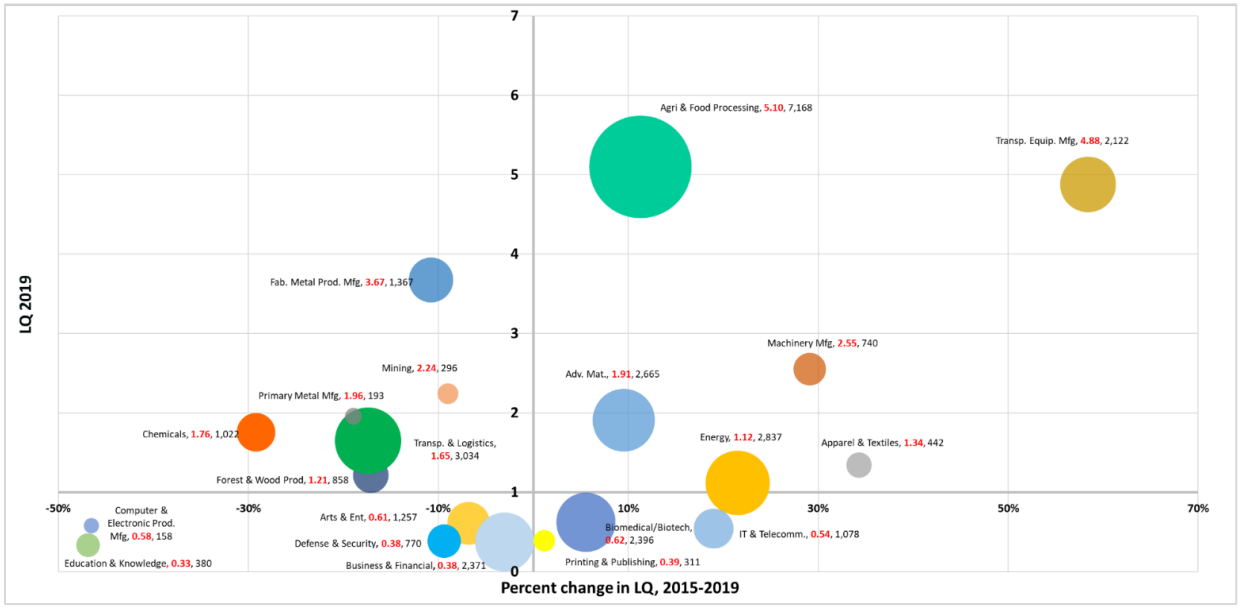
- Approximately **115,086** individuals call the KIRPC Ag Region home.
- Largest share of population has a high school diploma or higher **(87.9 percent)** with **14.3 percent** of the population having a B.A. or higher degree.
- The top five occupations in the KIRPC Ag Region:
  - **10.8 percent** Sales and Related
  - **10.6 percent** Management
  - **9.8 percent** Transportation and Material Moving
  - **9.3 percent** Production
  - **8.2 percent** Office and Administrative Support
- The median household income is **$54,187.**
- The median value of owner-occupied housing units is **$119,600.**
- Demographics:
  - **96.5 percent** White
  - **1.0 percent** Black or African American
  - **0.5 percent** American Indian or Alaska Native
  - **0.5 percent** Asian
  - **0.1 percent** Native Hawaiian and Other Pacific Islander
  - **1.4 percent** two or more races
  - **6.2 percent** of the above races combined are of Hispanic or Latino Origin

Source: U.S. Census Bureau

Industry Cluster Analysis

The Purdue Center for Regional Development (PCRD) employs industry cluster analysis and location quotients to determine the economic competitiveness of a region. The Agribusiness, Food Processing and Technology cluster emerged as a competitive cluster in the Region, suggesting that the project aligns with regional strengths and opportunities. Location quotients compare the industry cluster's share of regional employment to the national share of employment. The Region's agribusiness cluster had a location quotient (LQ) of 5.13[1] and employment of 7,266 in 2019. Additionally, the cluster's LQ grew by 12 percent between 2015 and 2019, rendering it a STAR — a competitive cluster that is growing and is more concentrated in the Region as compared to the U.S. The cluster comprises 69 NAICS[2] industry sectors spanning agriculture, forestry, fishing, and hunting; non-durable manufacturing (food processing and manufacturing); chemical manufacturing (fertilizers); durable manufacturing (farm and food product machinery); and wholesalers of grain, livestock, and farm supplies. In 2021, the Agribusiness, Food Processing, and Technology cluster had a Gross Regional Product (GRP)[3] of approximately $748M.

Figure 3. KIRPC Ag Region Industry Cluster Analysis (2015-2019)



[1] The concentration of jobs in agribusiness, food processing and technology cluster was more than five times the national average indicating the capacity for exports.

[2] The North American Industry Classification System, a "standard used by federal statistical agencies" for ensuring consistency in "collecting, analyzing, and publishing statistical data related to the U.S. business economy" (https://www.census.gov/naics/).

[3] GRP shows the final market value of the goods and services produced in the cluster in KIRPC region. https://kb.emsidata.com/glossary/gross-regional-product-or-grp-i0/#:~:text=Gross%20Regional%20Product%20(GRP)%20is,in%20the%20region%20of%20study.

Shift-Share Analysis

Shift-share analysis identifies industry sectors within a cluster that have unique competitiveness and are able to counter national economic trends. For example, a particular industry sector might be declining nationally, or the overall national economy might be shrinking, but the industry sector might be seeing job growth in the Region. Such industry sectors are considered as having "competitive shift" or unique competitive advantages in the Region. Availability of raw materials, transportation linkages, skilled-labor availability, and industrial legacy are examples of factors considered to provide a unique regional competitiveness to these industries.

In the KIRPC Ag Region, animal production, animal (except poultry) slaughtering, crop production, farm supplies merchant wholesalers, other animal food manufacturing, and soybean and other oilseed processing were competitive and outperformed other industry sectors within the Agribusiness, Food Processing, and Technology cluster. Refer to **Figure 4** for a complete listing of outperforming and underperforming industry sectors.

Figure 4. Shift-Share Analysis (2019)

Source: Developed by PCRD by using EMSI 2021.1 Class of Worker (4) Data

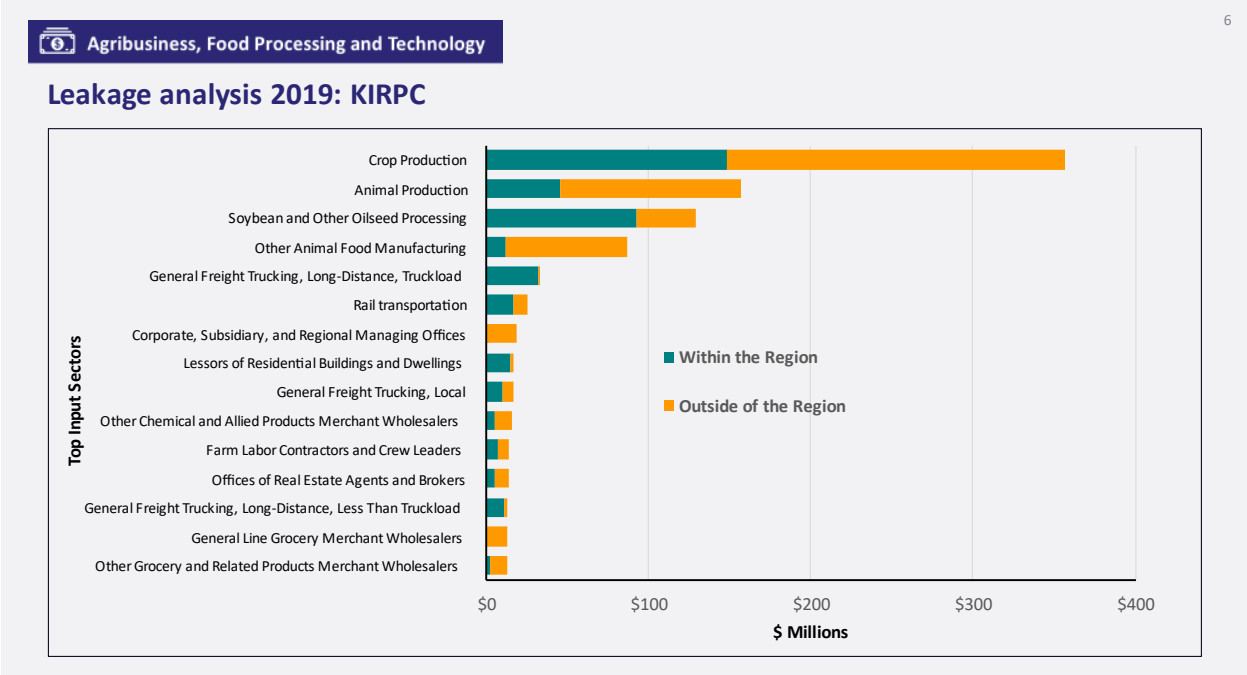
Economic Leakage Analysis

Economic leakage is, specifically as relates to this report, the monetary value of supplies and raw materials (goods and services) imported from outside of a region to fulfill industry needs that cannot be fulfilled by firms within the region. An analysis of economic leakages reveals the potential for expansion and development within the Region to provide a closer source for these supplies and raw materials.

Regional values of economic leakages within Agribusiness, Food Processing, and Technology include $357M in crop production, $157M in animal production, and $129M in soybean and other oilseed processing. **Figure 5** highlights the Region's substantial leakages in these and

other sub-clusters. A large proportion of the Region's demand is being met by outside suppliers, suggesting opportunities for growth and expansion within these industries with the right policies and support in place.

Figure 5. Leakage Analysis (2019)



Source: Developed by PCRD by using EMSI 2021.1 Class of Worker (4) Data

Occupational and Worker Demographics

The top occupations engaged within the Agribusiness, Food Processing, and Technology cluster include farmers, ranchers, and other agricultural managers; farmworkers and laborers in crop, nursery, and greenhouse; farmworkers in farm, ranch, and aquacultural animals; other agricultural workers; and agricultural equipment operators. Median hourly earnings range from $11.30 for animal caretakers to $37.60 for general and operations managers. Most of the top occupations require a high school diploma or on-the-job training. Many of these occupations that require manual work and repetitive tasks have an above-average risk of automation. For example, packers and packagers by hand have an Automation Index value of 123.1, a 23-percent higher probability for automation than the average Automation Index of 100.

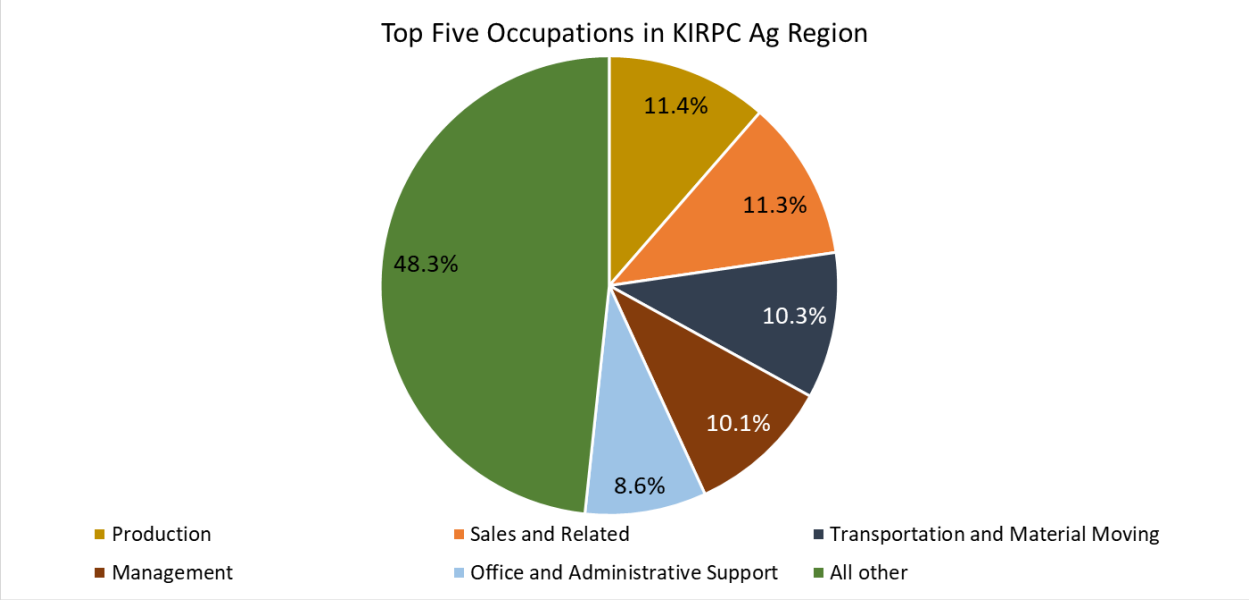
Approximately 30 percent of regional workers in the Agribusiness, Food Processing, and Technology cluster are matured (55 or older), slightly lower than the state average of 31 percent, while only 14 percent of the regional workforce falls in the 14-to-24 range. Automation might help to ameliorate this threat, but regional leaders need to consider the future pipeline of workers to replace the retiring workforce in this cluster. The Region has a high proportion of Hispanic workers (17 percent) compared to Indiana's average of 11

percent, but much smaller representation by Black workers — 1.62 percent compared to Indiana's five percent.

Occupations

In 2019, the most common occupations in the Region were Sales and Related (10.8 percent), Management (10.6 percent), Transportation and Material Moving (9.8 percent), Production (9.3 percent), and Office and Administrative Support (8.2 percent) (**Figure 6**).

Figure 6. Total Jobs and Top Five Occupations in KIRPC Ag Region (2019)

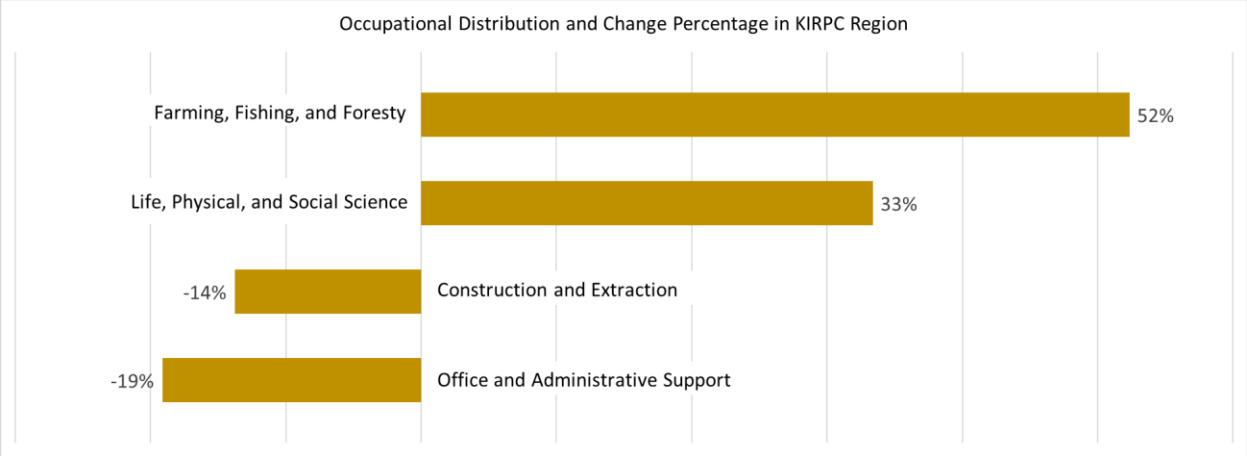


Source: Developed by PCRD by using EMSI 2022.3 Class of Worker (4) Data

The sectors with the largest changes in regional employment between 2003 and 2019 were Farming, Fishing, and Forestry (469.5 percent), Educational Instruction and Library (336.8 percent), Protective Service Occupations (-41.4 percent), and Architecture and Engineering (-69.8 percent) (**Figures 7a and 7b)**.

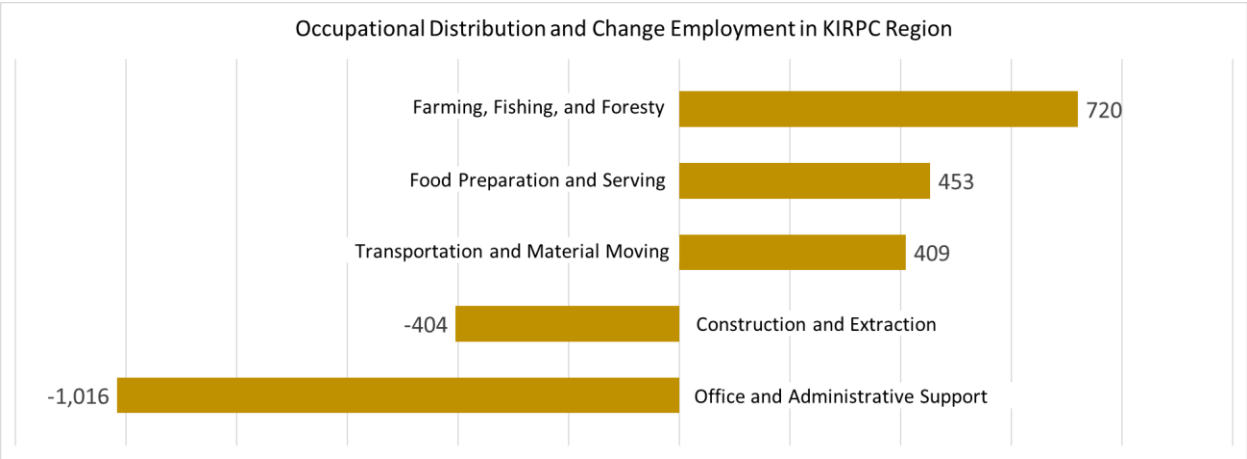
Changes in employment levels are particularly of interest when they have occurred in sector-related occupations where a high percentage of local employment is concentrated.

Figures 7a & 7b. Occupational Distribution and Change in the KIRPC Ag Region (2003-2019)



Source: Developed by PCRD by using EMSI 2022.3 Class of Worker (4) Data

Employment increased in Production (1,199 jobs), Transportation and Material Moving (972 jobs), and Farming, Fishing, and Forestry (523 jobs), while decreasing in Office and Administrative Support (-907 jobs), Construction and Extraction (-363 jobs) and Management (-356 jobs).

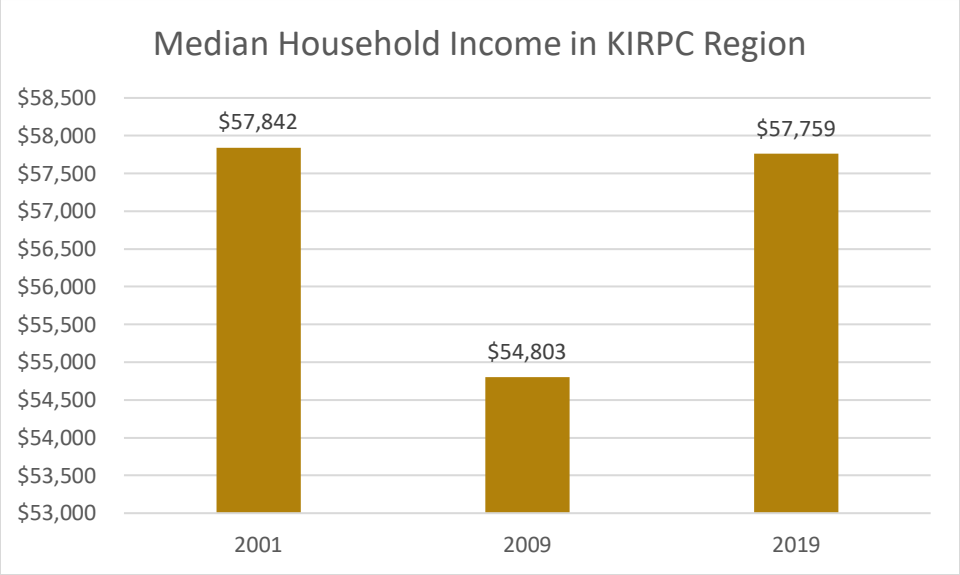


Source: Developed by PCRD by using EMSI 2022.3 Class of Worker (4) Data

Income and Poverty

The Census Bureau pinpointed a median household income of $57,759 in 2019 for the Region, a decrease of less than one percent from 2001 not accounting for inflation (**Figure 8**). Paralleling the modest decline in median household income was an increase of nearly two percent in the Region's poverty rate (**Figure 9**).

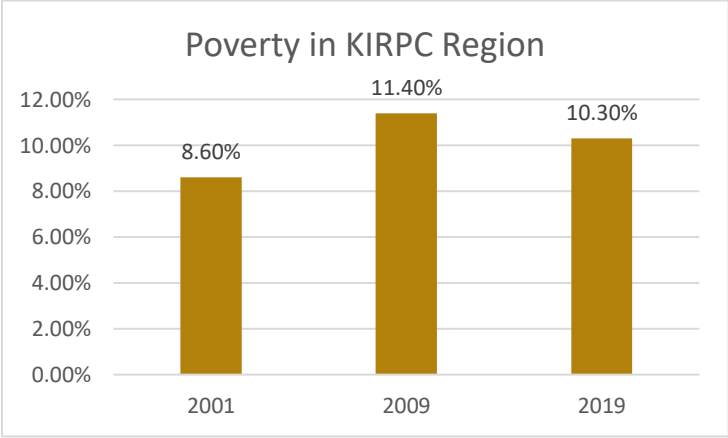
Figure 8. Income in KIRPC Ag Region (2001-2019)



Source of data:
SAIPE - Small Area Income and Poverty Estimates: https://www.census.gov/programs-surveys/saipe.html

We further examine income by including poverty trends (see **Figure 9**). While the median household income decreased slightly since 2001, overall poverty levels in the KIRPC have increased by nearly two percent between 2001-2019.

Figure 9. Poverty Trends in the KIRPC Ag Region (2001-2019)



Source: SAIPE - Small Area Income and Poverty Estimates: https://www.census.gov/programs-surveys/saipe.html

KIRPC REGION AG STRATEGY

Analysis of current data and trends within the existing businesses was key to selecting prime targets for the KIRPC Ag Region. The regional team initiated a strong community BR&E program to tap into existing businesses as key "barometers" of the target industry clusters' economic health. The process was intentionally focused on identifying gaps in the supply chain and regional leakages for the purpose of understanding and proactively responding to the threats limiting growth and, sometimes, even survival in today's economic climate.

Through the data analysis and company interviews, the Task Force identified four key strategies:

- regional food systems,
- food supply chain,
- ag workforce, and
- regulatory streamlining.

REGIONAL FOOD SYSTEMS

1) Connecting Local Foods with Consumers. Local producers are interested in building a regional food system that will allow them to connect more efficiently with consumers. Demand for local foods grows as consumers become more educated about the benefits of purchasing and consuming foods produced closer to home. Policymakers, economic developers, and partners can play critical roles in creating and illuminating user-friendly outlets for locally grown products.
2) Ag Entrepreneurship & Innovation. Ensuring the long-term sustainability of regional food systems requires fostering a diversified and comprehensive entrepreneurial mindset for agribusiness across the region.

Action Steps:

- Research local food councils in Indiana and elsewhere to identify best practices.
    - Gather information on the Northwest Indiana Food Council to determine how they operate and if there are gaps in their system that can be addressed by the Region's producers, policymakers, economic developers, and partners.
    - If appropriate, complete a feasibility study to determine the viability and capacity of, and organizational model for, a regional food group.
- Collect information on local and regional food cooperatives by interviewing the Indiana Cooperative Development Center and existing operators, such as the Bloomingfoods Co-op Market in Bloomington and Paoli's Lost River Market and Deli; map the food networks and food sheds with consideration of the impact of COVID on the food supply chain.
- Connect with Purdue's Diversified Farming and Local Foods divisions to understand the resources available to producers and processors for marketing their products.
- Work with PCRD to research other land-grant universities' and extension services' regional food systems best practices.
- Develop a series of workshops with the Purdue/ISBDC Agriculture Initiative focused on connecting producers with resources, linking producers with owners of available land, financial assistance, agrivoltaics, and other topics as determined to be relevant through continued community conversations.
- Develop a Regional Ag Think Tank to focus on agricultural and food-processing entrepreneurship, including youth entrepreneurship, to serve as a sounding board and source of guidance.

FOOD SUPPLY CHAIN

1) Meat Processing. Through the company-interviews process, significant gaps were identified in the meat processing sector.
2) Cold Storage. The need exists for additional storage facilities for both finished products and the interim storage of carcasses prior to finishing.
3) Entrepreneurial Ventures. Technical expertise and marketing support are needed for local and regional ventures in the development of the food supply chain.
4) Co-Packing Facilities. Entrepreneurs lack access to facilities required for producing small batches of new products.

Action Steps:

- Work with existing processors on the feasibility of expanding current operations.
- Survey existing companies to determine their interest in expanding.
- Enlist the support of the Indiana Corn Marketing Council, Indiana Soybean Association, Indiana Meat Packers Association, and Indiana livestock associations to develop strategies for expanding processing and storage solutions.
- Develop a plan to lobby state legislators and agencies to address shortages in processing facilities and USDA/state inspectors in close proximity to where livestock is raised.
- Identify key sites in the region that have the utility capacity and redundancy to handle cold storage facilities.
- Enlist PCRD to complete a search of cold-storage providers that could be targeted for developing facilities on the identified sites.
- Schedule attendance at trade shows for food/cold storage as an exhibitor and prepare regional marketing materials to be displayed and distributed at these shows.
- Develop an Entrepreneurial Guidebook identifying the specific ag sectors and raw material available in each county:
    - identify best practices in co-op models, commercial kitchens and co-packers;
    - tour Purdue's Food Science kitchen and food testing facility to be able to share this resource with potential new or expanded ventures; and
    - prioritize a small co-packer in each county based on the specialty crops grown in each respective county.

AG WORKFORCE

1) CDL Training. An insufficiency of training programs, instructors, and testing facilities and industry turnover have led to significant workforce issues as demand for CDL drivers to support all aspects of the food supply chain, especially the processing sector, increases.
2) Meat Cutting & Butchering. Along with the demand for meat processing comes the need for qualified meat cutters and butcherers.
3) Bilingual Training. Breaking down the language barrier between operators, hiring managers, and other business leaders and the Region's Spanish-speaking population is a critical step toward expanding the ag-sector workforce.
4) Farm Labor Database. Farm labor is in high demand in the Region, but the absence of centralized, localized, and user-friendly portals between operators and laborers may unnecessarily limit delays in filling vacant positions.

Action Steps:

- Work with the Starke County Initiative for Lifelong Learning Center to find the resources needed to develop and expand their CDL program and, once appropriate, to develop marketing materials to increase awareness of the program. Investigate

opportunities for replicating the program elsewhere to ensure greater regional coverage.

- Research the viability of using Belstra Milling's bilingual program with Purdue Northwest as a model for regional replication.
- Expand awareness of education and training programs addressing various agricultural needs available throughout the region and state, including, but not limited to, Ivy Tech's dual-credit opportunities and the ag program in Valparaiso.
- Identify programs that can be implemented at the high school level to develop the future ag workforce.
    - Schedule companies to present at schools to showcase the products produced and the demand for a qualified workforce.
    - Take teachers on field trips to agribusinesses across the Region to ensure they are aware of the job opportunities and skill sets needed in the agriculture and food-processing industries.
    - Leverage existing programs, such as FFA, to maximize the visibility and effectiveness of these programming opportunities.
    - Coordinate the establishment of National Manufacturing Day programming at middle and high schools across the Region and prioritize including ag-related manufacturers in these events.
    - Create marketing materials for agribusinesses that target high school students and are organized around special days (National Ag Day). The material may include flyers, videos, and the use of social media, such as TikTok.
- Develop a regional Ag Labor Database that companies and job seekers can utilize.
    - Request PCRD to complete a search of jobs posted online to help determine what roles and skills are in demand.
    - Research job-search websites (*e.g.,* IN Career Connect) to identify if any currently have an ag focus. Then work to develop the regional database with the following parameters:
        - all jobs posted will have an expiration date,
        - companies will be responsible for posting the jobs, and
        - job seekers will be able to upload their résumés to the site.

REGULATORY STREAMLINING

1) Right-to-Farm Policy. Two of the six regional Counties have adopted Right-to-Farm (RTF) ordinances or policies within their zoning ordinances. RTF laws serve as a warning to developers of non-agricultural uses in agricultural districts about the inherent likelihood of activities and effects that may be disruptive to other users and protect agricultural operators from frivolous litigation or other remonstrations by limiting the circumstances under which farming may be deemed a nuisance and by allowing agricultural practices inherent to and necessary for the business of farming to be undertaken free of unreasonable and unwarranted interference or restriction. RTF laws should be adopted uniformly across the Region to protect and to promote agricultural growth and diversity.
2) Statement of Procedures for Permitting. Zoning and permitting processes are often difficult for many businesses in the agriculture and food-processing sectors to navigate. A coordinated regional approach to local permitting would allow for businesses to work through the process with assurances that it reflects best practices and an eye toward simplicity and consistency.
3) Import/Export Capabilities. Import/export regulations can be burdensome, especially for small businesses lacking the internal expertise and staff time necessary for navigating these processes. A concerted effort to educate operators on and to provide support

through the import/export process would be beneficial to those companies just entering into foreign markets.

Action Steps:

- Draft an RTF-policy template based on the existing laws in Pulaski and White Counties for the economic developers in the other four counties to present to their local planning staff, plan commissions, and board of commissioners. Provide support as needed to ensure that RTF becomes a regionwide policy.
- Convene building, planning, and zoning staff; plan commissioners; county commissioners; and other key personnel from across the Region to share the KIRPC Ag Strategy and to discuss planning and permitting from an economic development perspective.
- Work with building, planning, and zoning staff in each county to develop a uniform permitting process Statement of Procedures (SOP) that includes a flow chart illustrating each respective County's approvals process. Maintain the SOP and flow chart on each County's economic development and zoning websites/pages and consider a regional clearinghouse website.
- Host a regional Food Export Midwest import/export workshop for those interested in learning how to enter the import/export markets and navigating the international permitting standards.

Priority Steps

The KIRPC Ag Region's core team believes that the Ag Strategy is a change in economic development philosophy and that this work is the beginning of an ongoing and ever-evolving process in and for the Region.

Realizing all steps are important to the overall success of the Ag Strategy, the core team believes it is important to identify the initial steps needed to set the stage for successful implementation. Following are the priority steps to begin the implementation process:

1) Disseminate the final Ag Strategy to each county's ag committee and economic development board.
2) Select a representative from each county who will serve on the Ag Strategy Implementation Team.
3) Set a regular schedule of Implementation Team and partner meetings to review implementation progress and to schedule next steps in the ongoing process.
4) Assign tasks to each member of the Implementation Team.
5) Begin discussions with the Northwest Indiana Food Council and other regional partners as appropriate regarding the hiring of an individual charged with coordinating the implementation of the Ag Strategy.
6) Schedule a public roll-out of the Ag Strategy, which may be a regional event or separate events in each county that includes the printing and distribution of an executive summary.

RURAL ECONOMIC DEVELOPMENT MODEL

KIRPC AG REGION

Counties of Benton, Jasper, Newton, Pulaski, Starke, & White

Project Start: 1/1/2023

TASK	START	END
REGIONAL FOOD SYSTEMS		
Collect information on local & regional food co-ops	1/1/23	1/31/23
Gather information on NW IN Food Council	1/1/23	2/28/23
Research land grant universities on regional food systems	1/1/23	2/28/23
Research local food councils in other states	1/1/23	3/31/23
Connect with Purdue's Diversified Farming & Local Foods	1/1/23	3/31/23
Propose the hiring of an ag community development person	1/1/23	12/31/24
Complete Feasibility Study of a Regional Food group	7/1/23	3/31/24
Develop series of workshops for farmers	7/1/23	6/30/24
Develop Regional Ag Think Tank	1/1/24	12/31/24
FOOD SUPPLY CHAIN		
Survey existing food processors on expansion interest	1/1/23	---
Engage state ag organizations on processing needs	1/1/23	2/28/23
Identify key sites in the region for cold storage & co-packing facilities	1/1/23	2/28/23
Develop an Entrepreneurial Guidebook - Step 1	1/1/23	3/31/23
Develop a plan to engage state legislators	3/1/23	6/30/23

Develop an Entrepreneurial Guidebook - Step 2	3/1/23	8/31/23
Request PCRD to search cold-storage facilities	3/1/23	8/31/23
Schedule attendance at trade shows for food/cold storage	7/1/23	---
Develop an Entrepreneurial Guidebook - Step 3	7/1/23	6/30/24
AG WORKFORCE		
Work with Starke County SCILL to expand CDL program	1/1/23	2/28/23
Research Belstra Milling's bilingual program	1/1/23	2/28/23
Expand the awareness of ag programs available in region & state	1/1/23	3/30/23
Identify programs to implement in high schools	1/1/23	9/1/23
Establish CDL training program at SCILL Center	1/1/23	1/1/24
Develop a regional ag labor base for companies & job seekers	4/1/23	6/30/23
REGULATORY STREAMLINING		
Develop uniform Statement of Procedures on permitting process	1/1/23	6/30/23
Propose Right-to-Farm policy across the KIRPC region	3/1/23	5/31/23
Convene regional zoning and planning staff, APC & building inspectors	7/1/23	12/31/23
Host regional import-export workshops	7/1/23	12/31/23

The detailed action steps for the implementation timeline are included in **Appendix B.**

Strategic Outcomes

After careful review and discussion amongst the core team, the following outcomes were identified as achievable:

1) Increase the number of local growers by 5%.

2) Develop a regional Growers Co-op under the name of Kankakee Valley Food Co-op.

3) Develop a new entity or position as a regional ag community development contact for agribusinesses and ag entrepreneurship.

4) All six counties adopt a Right-to-Farm policy for their county-wide zoning requirements.

5) Work in collaboration with Purdue Extension, Purdue Manufacturing Extension Partnership and Indiana Farm Bureau to hold three (3) workshops for farmers in the first 24 months with a total of 100 farmers in attendance.

6) Increase the number of entrepreneurs in the region by 10% utilizing the Indiana Small Business Development Center's programs.

7) Attract three (3) new facilities to the region, which may include a regional meat processor, cold storage facility and small co-packers with a total of 50 new jobs by the end of 2024.

8) Complete an Entrepreneurial Guidebook and make it easily accessible in all six counties.

9) Implement a regional CDL training program and begin the first class in 2024 with 10 enrollees.

10) Regional representatives attend two (2) trade shows annually for the attraction of food/cold storage facilities to the region.

Marketing Plan

The development of a coordinated regional marketing plan is important to the success of fully developing the food supply chain for the region. The plan will be used to showcase the agricultural benefits of the six-county region as a prime location for meat processing and cold storage facilities and to attract entrepreneurs to local co-packing facilities.

BUSINES ATTRACTION & EXPANSION:

1) Develop a two-page informational sheet on the KIRPC Region Ag Strategy, including key data points and action steps to include the following points:
    a. What we have in the region today.
    b. Where the ag assets are located in the region.
    c. What we need to build the value-added supply chain.
    d. Ask for the business.
2) Prepare regional marketing pieces that will be utilized at trade shows and mailed to cold storage facilities (see example in **Figure 10**).
3) Schedule meetings with local meat packers and livestock farmers to share the KIRPC Region Ag Strategy and identify potential interest in expansion.
4) Schedule attendance at trade shows, such as:
    a. Sweets & Snacks Expo – May 2023
    b. American Association of Meat Processors – July 2023
    c. Food Automation & Manufacturing Conference & Expo – October 2023
    d. Winter Fancy Food Show – January 2024
5) Send out mail pieces as follow-ups to the trade shows.
6) Identify key site selectors in the target industries to contact and provide information on the region.

ENTREPRENEURIAL SUPPORT:

1) Prepare a regional flyer highlighting specific facilities within the region that can be easily converted for co-packing operations, see example below.
2) Include the list of potential co-packing facilities on the websites of each of the six counties.
3) Provide the flyer, along with the Entrepreneurial Guidebook to the Indiana Small Business Development Center and the state and regional economic development organizations.
4) Collaborate with the Indiana State Department of Agriculture to promote the producer/buyer directory on Indiana Grown through local media advertising across the region.
5) Share the directory information with local growers/producers/farmers markets/grocery stores to promote the production, processing and buying of locally grown products.

Figure 10. KIRPC Ag Region Marketing Piece

APPENDIX A

Site Visit Qualitative Outcomes

The team leaders from each of the six counties in the KIRPC Ag Region shared their "takeaways" and "ah-ha" moments from the site visits they conducted. Following are some of the key insights they shared, organized under 12 themes that emerged from the conversations:

Automation

"One of the companies we visited is forward-thinking about incorporating automated pieces to replace difficult-to find employees (they needed 12-to-15 people during the interview)."

"Small- and Medium-sized Enterprises (SMEs) in Indiana are technology averse. Companies need to get into digital adoption of industry 4.0 techniques, but in many cases they haven't gotten past pencil & paper!"

Broadband Capacity

"Broadband is an issue for ag across the county."

"There is general skepticism around internet access and regional broadband planning. That's partly because of the Next Level Connections grants internet service providers (ISPs) have received – it's a wait and see game. The question is: Are companies at the table?"

Cleanliness

"We toured a fertilizer plant and were impressed with the cleanliness of the facility. There were no noxious odors, and my white pants came away clean even after riding around on a golf cart."

Food Hub Interest/Potential

"Small farmers consistently mentioned the need for a food hub connecting growers with regionally based consumers. One producer said that the Indiana Grown program is not doing what it was intended to do. They are looking at programs in other states like MI and KY."

"For our smaller, locally based farms state programs like Indiana Grown are not as effective as similar efforts in other Midwest states."

"There is a significant need for the development of a regional, local food distribution hub that connects local growers with regionally-based consumers."

Infrastructure

"Across the various realms of agriculture, there is a need for infrastructure development specifically with things like natural gas, roads, rail, and water/wastewater."

Labor Shortage

"The companies I spoke with are experiencing labor shortages. They poach employees from each other."

"Companies need programming to train people to do industrial maintenance."

"Companies are struggling to find CDL licensed drivers, and they are concerned about how it will affect the harvest. Locally, they are trying to find CDL training facilities. There is a huge scarcity of short-haul, long-haul, and partial load CDL drivers (one of Indiana's hottest jobs). Autonomous trucks are still in R&D; people still need to acclimate to the idea of driverless vehicles."

"One surprising thing I discovered is that, while everyone recognizes the labor shortage and has difficulty finding employees, it doesn't seem to be affecting them. People have found they can do the work, and the quality issue isn't terrible. The labor shortages haven't brought operations to a halt."

Public Perception

"Networking and communication between producers and consumers need improvement."

"One of the companies brought up lack of public knowledge. They said that people don't know what they are and what they are doing. They got push back in the community about their expansion and met with backlash, which was surprising to them—and to me."

The community lacks education in general. What can be done? Local government and Purdue Extension could re-initiate county leadership programs. Podcasts created by local farmers have been getting 10,000-20,000 hits as they show the entire process of dairy and beef butchering. People want to watch what goes on in a farm, and they are getting advertisers. The Peterson Brothers have made millions with their music videos about their work on the farm."

Supply Chain Issues

"One of the companies I visited has decided to keep a large inventory on hand. They are stockpiling so there will be no gaps in production."

"The companies I spoke with are experiencing supply chain issues. They need to plan weeks and months ahead, trying to stock up on things, because it takes so long to get anything."

"The pendulum is swinging; there is such a long lead time to get equipment to a facility. It's not like Amazon can ship large pieces of equipment to your doorstep the next day!"

Training Needs

"There is both appetite and need for marketing seminars/assistance for small, locally based farms."

"Companies have a need for seminars and professional development to grow them, as well as marketing and business planning expertise."

Transportation/Logistics

"For our larger agribusinesses, transportation and logistics are critical. Given the current supply chain shortages, companies are starting to buy everything in advance in case they can't get it tomorrow. Two years ago, one of the companies I visited completed an expansion. Now, they are ready to do it again, to store supplies in proximity to their business."

"One of the companies I visited is considering shared resources in terms of transportation. Rather than sending a half-full truck, they are exploring ways to pool resources, so they can send a full truck of freight and get a full truck back."

Value-Added Processing

"There was a lot of interest in nutrient-recovery and value-added processing in order to capture more revenue."

"There are a lot of opportunities related to the presence of the dairy industry in our county. Yes, the obvious connections are things milk and cheese processing, but there are also opportunities in the value-added area with nutrient recovery and biomass with the manure."

"Seems to be a lot of interest in pursuing value-added opportunities. Everything from diversification of crop land to more varied uses of what we are already producing. Could we keep more of the corn in the elevators to process locally for value-added products? Farmers are looking for other uses besides Ethanol. Are the right entrepreneurs available to do that?"

"A lot of discussions took place regarding soybean processing and a soybean crush plant. Initially, these discussions centered on the need for a crush plant, but as we talked to the various businesses in the supply chain, it was obvious a crush plant isn't currently feasible in our county. While there isn't one located within a 35-45-minute drive, we sit within a one-hour drive of 3 to 4 of the largest crush plants in the Midwest. However, there was consensus that a soybean processing plant for a specific purpose or niche market could be very fitting and well-suited to locate in our county in the future."

Zoning & Permitting

"The agribusiness sector doesn't understand the zoning process; it is muddy. Economic developers could provide a more clear-cut way through the zoning process to assist businesses. Having a thorough understanding of the process is key, and currently, there is a lot of uncertainty around permitting and zoning."

"Some of the biggest barriers to growth for agribusiness are building permitting and regulations, our county zoning code, and red tape at the federal, state and local level."

APPENDIX B

Detailed Action Steps

KIRPC Region Ag Strategy - ACTION STEPS			Ver. 12.21.2022
REGIONAL FOOD SYSTEMS:			
TIME	***START***	***ACTION STEP***	***NOTES***
1 month	Jan-23	Collect information on local and regional food cooperatives by interviewing the Indiana Cooperative Development Center and models currently in operation, such as the Bloomingfoods Co-op in Bloomington and Paoli Lost River Market models.	Schedule meeting with Deb Trocha of the Indiana Cooperative Development Center in January.
1-2 months	Jan-23	Gather information on the Northwest Indiana Food Council to determine how they operate and if there are gaps in their system that can be fulfilled by the KIRPC Region's producers.	Schedule meeting with NW IN Food Council and IN State Department of Ag to review Indiana GROWN marketing program.
1-2 months	Jan-23	Work with PCRD to research other land grant universities and extension services for best practices on regional food systems	Start by reviewing information on Purdue's / PCRD's website and scheduling meeting with Roberto Gallardo and Michael Wilcox.
1-3 months	Jan-23	Research local food councils, not just in Indiana but in surrounding states (Kentucky and Michigan) as well, to identify best practices.	
1-3 months	Jan-23	Connect with Purdue's Diversified Farming and Local Foods divisions to understand the resources available to the producers and processors for marketing their product.	Call in January to schedule meeting and tour in 1st Qrt. 2023.
12 months	Jan-23	Propose the hiring of an Ag Community Development person for the KIRPC Region.	Review the READI grant for potential funding. Work with Michael Wilcox and Jason Henderson on the possibility of developing a Purdue Extension position.
6 - 9 months	Jul-23	Complete a Feasibility Study to research and analyze best practices and determine the viability, capacity, and organizational model of a regional food group for the KIRPC Region.	Work with PCRD to map food networks and food sheds with consideration of the impact of COVID on the food supply chain.

REGIONAL FOOD SYSTEMS – CONTINUED:			
TIME	***START***	***ACTION STEP***	***NOTES***
6-12 months	Jul-23	Develop a series of workshops with the Purdue/ISBDC Agriculture Initiative that includes: How to connect farmers & landowners; Potential of leased land for the beginning farmer; and Subleases of land in a solar project that is managed by one farmer.	Form a committee in 1st Qrt. 2023 to begin developing programming for implementation in 6-12 months. Monty Henderson with ISBDC / Purdue will assist with the workshops.
12 months	Jan-24	Develop a Regional Ag Think Tank to focus on entrepreneurship, including our youth as future entrepreneurs, in the ag and food processing cluster to work as a sounding board on innovative ideas in the value-added supply chain.	Bring what we learned in the research into this step.

FOOD SUPPLY CHAIN:			
TIME	***START***	***ACTION STEP***	***NOTES***
Ongoing	Jan-23	Survey existing food processors to determine their interest in expanding and help them determine the feasibility of expanding their current operations.	Review companies surveyed in the BRE process and identify specific companies to begin the process. This activity will be ongoing.
2 months	Jan-23	Engage Indiana Corn Marketing Council, Indiana Soybean Association, Indiana Meat Packers Association, and other Indiana livestock associations, including Beef, Pork and Poultry, in the outreach and research of farmers in need of processing and storage.	
2 months	Jan-23	Identify key sites in the region that have the utility capacity and redundancy to handle cold storage facilities. Also identify existing facilities that could easily be converted into co-packing workspaces.	
1 - 3 months	Jan-23	Develop an Entrepreneurial Guidebook identifying the specific ag sectors and raw material available in each county in three steps.	Step 1: Tour Purdue's Food Science kitchen and food testing facility (Call in January 2023 to schedule meeting in 1st Qrt. 2023.
3 - 4 months	Mar-23	Develop a plan to engage state legislators and agencies on the demand for additional meat processing facilities and USDA inspectors in close proximity to where the livestock are raised.	
3 - 6 months	Mar-23	Develop an Entrepreneurial Guidebook identifying the specific ag sectors and raw material available in each county in three steps.	Step 2: Identify best practices in co-op models, commercial kitchens and co-packers.
3 - 6 months	Mar-23	Request Purdue Center for Regional Development to complete a search of cold-storage facilities that will provide a list of companies to target for locating a facility on the pre-identified sites.	PCRD to map cold-food supply chain.

FOOD SUPPLY CHAIN - CONTINUED:			
TIME	***START***	***ACTION STEP***	***NOTES***
Ongoing	Jul-23	Schedule attendance at trade shows for food/cold storage as an exhibitor and prepare regional marketing materials that will be utilized at these shows.	Begin identifying trade shows of interest in early 2023.
6 - 12 months	Jul-23	Develop an Entrepreneurial Guidebook identifying the specific ag sectors and raw material available in each county in three steps.	Step 3: Focus on a small co-packer in each county.

AG WORKFORCE:			
TIME	***START***	***ACTION STEP***	***NOTES***
1 - 2 months	Jan-23	Work with Starke County SCILL Center to find the resources needed to develop and expand their CDL program.	Schedule meeting with LTAP and Ivy Tech to review programs and connect with needs and assets in the KIRPC Region to begin the work needed to establish the program at the SCILL Center.
1 - 2 months	Jan-23	Research Belstra Milling's bilingual program with Purdue Northwest as a model to implement regionwide.	
1 - 3 months	Jan-23	Expand the awareness of the agricultural programs available throughout the region and state. We need to identify the differences needed between the grain side verses the processing and machine work. Connect with Ivy Tech Valpo's ag program and Ivy Tech's dual credit programs.	Call Ivy Tech in January to schedule meeting in 1st Qrt. of 2023 to discuss their agriculture and dual credit programs.
1-8 months	Jan-23	Identify programs that can be implemented in our high schools to develop the future ag workforce. Suggestions include companies presenting at schools, taking teachers on field trips, scheduling a "Manufacturing Day" for middle school students, and creating marketing material to promote agribusinesses and National Ag Day.	Form team in 1st Qrt. 2023 to begin gathering information on programs and willingness of schools to participate. Determine what the KIRPC Ag Region can do to promote National Ag Day on March 21, 2023.
12 months	Jan-23	Establish CDL training program at SCILL Center with a truck, testing facility, and instructor and develop the marketing material to increase the awareness of the program, especially for incumbent workers aged 25 and over.	Work with PCRD (Indraneel Kumar) to connect with LTAP and discuss how to utilize their approved trainer, equipment and training program.
2-3 months	Apr-23	Develop a regional Ag Labor Base that companies and job seekers can utilize.	Begin by researching current programs and scheduling a meeting with Indiana Career Connect to discuss expanding the workforce database to include agriculture and agribusiness positions.

REGULATORY STREAMLINING:			
TIME	***START***	***ACTION STEP***	***NOTES***
6 months	Jan-23	Develop a uniform Statement of Procedures (SOP) on the permitting process in each county that includes a flow chart on the zoning process. Each county economic development office will host the SOP and Chart on their website and a regional site will also be considered.	
3 months	Mar-23	Propose a Right-to-Farm policy be adopted in the other four counties in the KIRPC region, which includes Benton, Jasper, Newton, and Starke counties. Work with the economic development director in those counties to present to the local officials on the benefits of the Right-to-Farm policy in our strong agricultural region.	Schedule regional meeting with County APC directors to begin discussions on the Right-to-Farm policy.
6 months	Jul-23	Convene the regional zoning and planning staff, area plan commissions, and building inspectors to share the KIRPC Ag Strategy and discuss planning and permitting from an economic development perspective.	
6 - 12 months	Jul-23	Work with the Indiana Small Business Development Center to host a regional import/export workshop through Food Export Midwest that will assist those interested in learning how to enter the import/export markets and navigate the international permitting standards.	Schedule meeting with Indiana SBDC in first six months to develop workshop plan and agenda. Work with Monty Henderson and his Exporting Team.

CONTACTS

Regional Team Members

Benton County..... Angela Taylor, Director
Benton County Economic Development

Jasper County..... Stephen Eastridge, Executive Director
Jasper County Economic Development Organization

Newton County .....Tim Myers, Director
Newton County Economic Development

Pulaski County .....Nathan P. Origer, Executive Director
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Starke County.....Lisa Dan, Director & Mary Perren, Assistant
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White County..... Andrew Westfall, County Extension Director – Ag/Natural Resources
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Grant Award

The Kankakee-Iroquois Regional Planning Commission received funding from the U.S. Department of Commerce Economic Development Administration's Economic Adjustment Assistance Program to assist the counties of Benton, Jasper, Newton, Pulaski, Starke, and White in developing the KIRPC Regional Agricultural Strategy.

Local Match

The economic development offices in the counties of Benton, Jasper, Newton, Pulaski, Starke, and White provided the local match required by the grant.