

## AGENDA PRIORITIES

20. Ensure that all state and higher education business, work force and economic development programs include farming and agriculture in their target audiences for programmatic development, training and technical assistance.

### ADD FOOD AND FARMING TO LOCAL ECONOMY, JOB AGENDAS

Marc McKellar, Director of Business Development for Members Credit Union in Traverse City believes the growth of smaller scale, local market-focused farming in the region is also a growth opportunity for his financial institution. Members Credit Union is looking into adding commercial lending to its current portfolio of mostly consumer loans. McKellar thinks smaller-scale diversified agriculture is a good fit.

Actually making those loans, however, will require more in-depth knowledge of the great diversity of new generation sustainable agriculture operations and their regional food system challenges and opportunities, he said. Otherwise the loan applications — from farmers' market vendors to wineries — might not make it through final decision makers. "You really need to study the industry to get loans past the underwriters," he said.

McKellar is very happy, therefore, that a new effort in northwest Michigan is underway to build the community's business engagement with food and farming. With a workforce development grant from the Michigan Economic Development Corporation, the project is the first regional effort in Michigan to work with sustainable agriculture and food system entrepreneurs and employers together as a particular sector of the economy.

Susan Cocciarelli convenes the Northwest Michigan Sustainable Agriculture and Food System Sector Alliance based at the Northwest Michigan Council of Governments. She says the Alliance works to advance the sector by bringing business leaders and others together to focus in on its particular needs and opportunities, such as financing challenges. "We're looking at trends that affect their businesses. We're diving deep into the work force skills and competencies they require. And for entrepreneurs, we're focusing on the knowledge and resources they need in the region to really thrive," Cocciarelli said.

McKellar says he saw the Alliance's value clearly at a recent workshop it set up to bring entrepreneurs from the region's relatively new wine industry together with local bankers like him. "One thing right off the bat we learned," he said, "is there are three businesses, usually combined into one enterprise: the growing of the grapes (the vineyard), the making of the wine (the winery), and retailing (the tasting room)." Each has different financial needs. Each is also different from other farming, processing, and retailing, he said. "Without the Alliance, the lenders who participated wouldn't know half of that detail."

#### Need

Agriculture is rarely a topic of conversation in economic development, higher education, and workforce development circles. From high school and vocational education to business development programs, farming is practically invisible. This needs to change if Michigan is



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to build on powerful opportunities to satisfy growing demand in Michigan, the Midwest, and beyond for a new generation of products, which the state's farm and food entrepreneurs are in good position to supply.

According to the Michigan State University Product Center, Michigan's agrifood-energy system contributes \$91.4 billion (total economic impact) annually, a 51.9 percent increase since 2004, and provides 923,000 jobs (22 percent of Michigan's total employment).<sup>1</sup> Over the period between 2004 and 2010, the farming sector had a substantial increase of 96 percent.<sup>1</sup> And while the food wholesale and retail sectors lost jobs, agricultural production and processing created just under 14,000 jobs, a 6.3 percent increase.<sup>1</sup> Clearly, Michigan's food and agriculture system is of major importance to the state's economy.

## Opportunity

Michigan can clear many of the hurdles that new food and farm entrepreneurs face by simply adding food and farming to their list of important economic sectors to work with. This simple step can help bridge serious gaps between bankers and new farmers and regional food enterprises, between skills needed on the farm and those taught in school, and more.

Old separations between the agriculture community and the business community no longer make sense. More food and farm entrepreneurs are getting involved in shorter local and regional supply chains. They are involved in local commerce in new ways and have challenges and opportunities that communities need to solve so those businesses and the farmland and food choices associated with them can grow and thrive.

## Action

Local and state leaders can move the needle on attention to agriculture and food systems by taking some of the following steps:

- *Develop more regional efforts to focus attention on the emerging diversified food and farm sector like the Northwest Michigan Sustainable Agriculture and Food System Sector Alliance. Express interest to the Michigan Economic Development Corporation for further support of workforce development grants to such efforts to build a region's awareness of and investment in the skills and businesses needed to grow the promising sector.*
- *Support and link local, regional, and state efforts to offer vocational training and other support to new and beginning farmers. Many of the sector's entrepreneurs are new to farming. They need a worker and business development support system.*
- *Focus in on particular opportunities new food and farm enterprises are pursuing and develop task forces and other targeted efforts to address challenges. One common need, for example, is for smaller scale basic processing of local produce (chopping, slicing) for food service buyers. A local or regional task force could drill down and explore existing assets and other resources available to solve the problem.*

## 1-2-3 Go!

Get the conversation started! Put together a roundtable or forum with local farmers to talk about the job skills they need. Invite school and workforce development leaders to listen, learn and share their ideas.

<sup>1</sup>Knudson, W.A. and Peterson, H.C. (2012) The Economic Impact of Michigan's Food and Agriculture System. The Strategic Marketing Institute Working Paper No. 01-0312. Michigan State University Product Center for Agriculture and Natural Resources.