

# Promoting Regional Innovation in Rural Communities





## **USDA efforts support a regional strategy for advancing America's rural economy**

One of the keys to rural prosperity is for rural communities to come together on a regional basis to develop a strategic plan for building a stronger economy. USDA is helping to build a more prosperous rural America by providing financial support and technical assistance to boost locally led regional economic development efforts across the Nation.

Agriculture Secretary Tom Vilsack has stressed the importance of a regional approach to creating economic opportunity and job creation in rural communities. "By creating a regional focus and increasing collaboration with other Federal agencies, USDA resources will have a larger impact, enabling greater wealth creation, quality of life improvements, and sustainability," says Secretary Vilsack.

USDA is supporting rural communities that are working together on a multi-county/regional basis, with a focus on the development and implementation of ground-level regional economic development plans. This effort involves two or more USDA agencies and/or programs working with partner institutions outside USDA.





Regional commissions and authorities have published several studies documenting the positive economic outcomes associated with a regional approach to development. In addition to providing direct economic benefits, regional collaboration may allow communities to take advantage of economies of scale in infrastructure and public services, encourage the development of specialization in industrial sectors that make the region more competitive, and locate facilities and services where they provide the greatest benefit at the lowest cost. Although many of the regions discussed in this report are smaller than the regions in previous studies, it is reasonable to assume that the economic benefits of regional approaches to development are comparable.

## Great Regions

Early in fiscal year 2011, USDA identified seven regional projects as good opportunities for USDA partnership, calling them Great Regions. USDA chose the term Great Regions to encourage the grantees and their current and potential partners in the community to broaden their thinking to a regional scale.

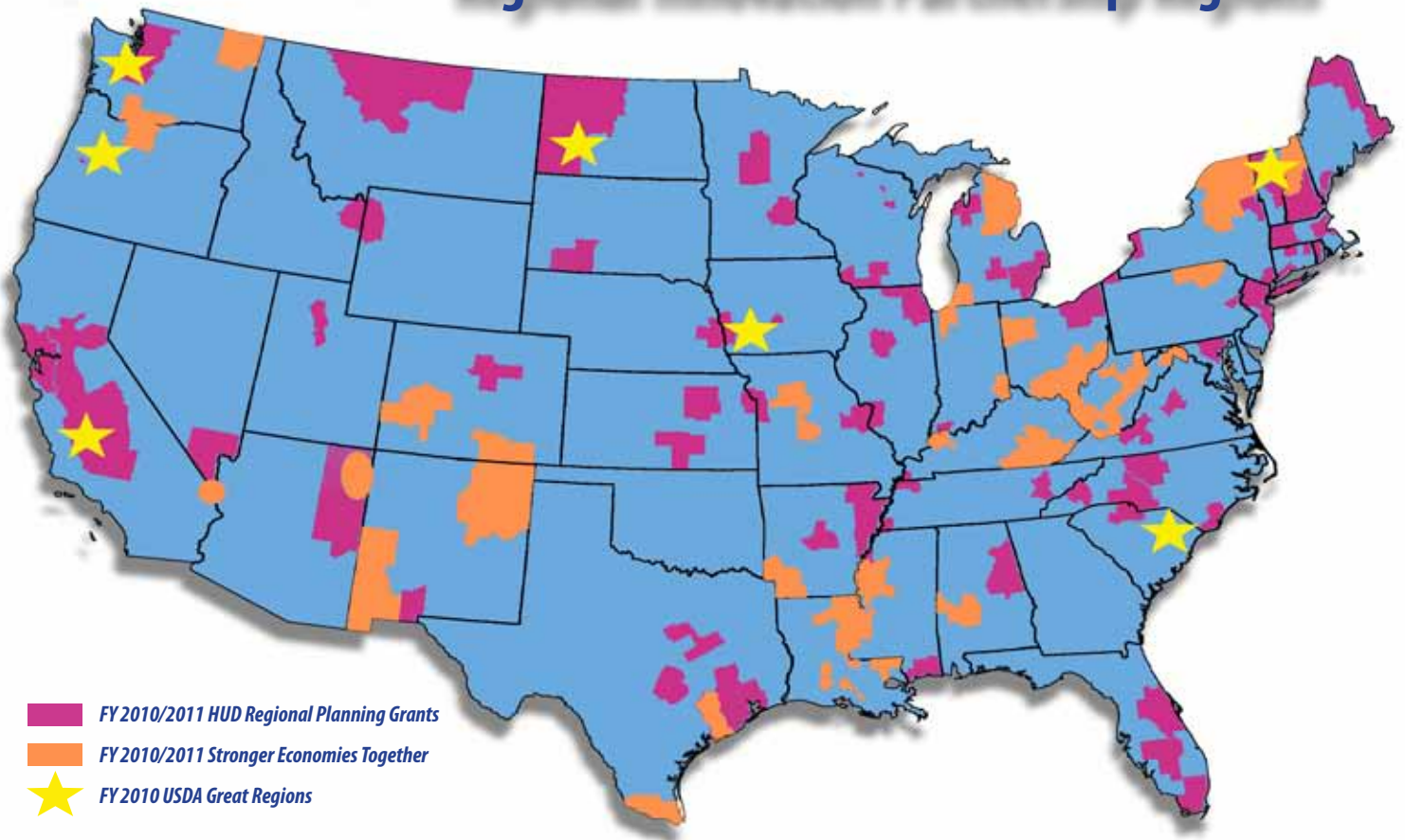
### *The Great Regions, and the focus of each, are:*

- California - Regional food systems, biomass-generated energy, value-added livestock processing and marketing, and alternative energy;
- Iowa - Small and emerging agricultural businesses interested in regional food systems and learning about technologies that will enable year-round growing of fruits and vegetables;
- North Dakota - Recycling and remanufacturing;
- Oregon - Regional food system distribution;
- South Carolina - Value-added food processing and agribusinesses;
- Vermont - A mixed-use retail and food processing center, a goat milk producers association, and environmental service markets;
- Washington/Quinault Indian Nation - Slash materials from the Indian reservation's forest to provide energy to heat tribal community buildings.

### *Examples of increased Federal engagement in the Great Regions include:*

- The Golden Hills Resource Conservation and Development District, Southwest Iowa - This district received two USDA grants to further its efforts in promoting local food markets. One grant was provided under USDA's Rural Community Development Initiative and another from the Specialty Crop Block Grant program. This area of southwest Iowa is part of a somewhat larger Iowa/Nebraska region that was recently awarded a U.S. Department of Housing and Urban Development (HUD) Regional Planning grant. Local collaboration of USDA and HUD grantees will occur.
- EcoTrust, Pacific Northwest - This company received a USDA Specialty Crop Block grant to enhance a new membership category for its FoodHub online directory.
- North Dakota REAP (Rural Economic Area Partnership) - This partnership, building on its regional work with USDA, applied for and received a HUD Regional Planning grant.

# Regional Innovation Partnership Regions



## Partnership for Sustainable Communities

In 2009, three Federal agencies (HUD, the U.S. Department of Transportation (DOT), and the U.S. Environmental Protection Agency (EPA)) formed the Partnership for Sustainable Communities. One of the partnership's key aims is to enable communities to work on a regional basis. The focus is on land use, transportation, environmental quality and, ultimately, to successfully upgrade the

region's infrastructure and quality of life to build a stronger foundation for a more robust economy. USDA has supported the partnership's work in rural areas.

One of the partnership's flagship programs is HUD's Regional Planning Grants. Forty-five regions have received multi-year grants to engage local citizens and prepare strategic regional plans that will guide future development and help coordinate Federal investment. A number of these grants were issued to predominantly rural regions or mid-sized regions with significant rural areas. USDA has provided technical assistance and infor-





## Promoting Regional Innovation in Rural Communities

mation about USDA programs that could support plan implementation. These USDA programs help provide rural areas with community facilities, housing, water and wastewater systems, and rural broadband; other USDA programs promote farmland preservation, local food systems, and rural business development.

### *Successes related to this initiative include:*

- USDA helped the partnership develop a report, “Supporting Sustainable Rural Communities,” which outlines goals that are relevant to rural areas and gives details on Federal programs (including USDA’s) that may be useful in building stronger rural communities.
- A USDA-funded project, the Rural Learning Center in Howard, South Dakota, received an EPA Smart Growth Achievement Award in 2011 for creating a new public facility that helps the community (and surrounding region) achieve some key sustainability goals.
- Two HUD Regional Planning grantees (in northern Maine and Southwest Wisconsin) received USDA Rural Business Opportunity Grants to enhance their regional economic development efforts.
- A HUD Regional Planning grantee in Sacramento, California, received a USDA Specialty Crop Block Grant to assess how the region could establish a system to supply local consumers and food banks with locally grown specialty crops.
- A multi-county region in western Kentucky and Tennessee applied to become a Stronger Economies Together (SET) region. Although that effort was unsuccessful, much of that same work was used for a successful application for a HUD Regional Planning grant.
- USDA staff provided technical assistance to two rural regions (one in western North Dakota and one in eastern Arkansas), helping them to successfully apply for HUD Regional Planning grants.





## Stronger Economies Together

In 2010, USDA Rural Development, along with the Nation's four Regional Rural Development Centers (RRDCs) and their land-grant university partners, launched Stronger Economies Together, a training and technical assistance collaboration program. SET enables communities in rural America to work together on a multi-county regional basis to develop economic development blueprints that strategically build on the current and emerging economic strengths of their region. State Partner Teams bring together the talents and resources of key State and Federal agencies, land-grant university Extension programs, and other organizations, to provide 35 hours of training and technical assistance to each of the regional teams.

Two phases of the SET program were underway by 2011, with a third phase to begin in 2012. Phase I efforts are in place in 20 multi-county regions located in 8 States: Arizona, Kentucky, Louisiana, Missouri, New Mexico, Ohio, Pennsylvania, and West Virginia. Phase II efforts began in late 2011 in 11 additional States: Alabama, Arkansas, Colorado, Indiana, Michigan, Mississippi, New Hampshire, New York, Texas, Vermont, and Washington. Phase III regions in Virginia, North and South Carolina, Georgia, Oklahoma, Nevada, and South Dakota have not yet been finalized.



### *Some examples of SET successes include:*

- During Phase I, participation expanded from about 10 to about 35 people per region. The teams became more diverse, with increases in participants and institutions from the business

and education sectors, as well as local citizens. Almost half of SET team members view the new cross-regional/cross-sector relationships built during the training process as one of the most significant impacts of SET so far.

- SET gives a region detailed information and insights on its comparative economic advantages and its current and emerging economic clusters. SET regional teams have used this knowledge to target their most promising opportunities. “We learned our manufacturing cluster is much greater than originally thought,” one regional leader said. “Other clusters, including health care, are not as strong as assumed. We now have a much clearer picture of the strengths of our clusters.”
- SET has already attracted attention and investment from institutions outside the core SET partners. SET is being rolled out in several regions in the United States and Canada, beyond the USDA-selected regions. In some SET States, interest in SET has led to expansion into more regions. In Missouri, the Ozark Foundation is funding deployment of SET to two additional regions.

## Jobs and Innovation Accelerator Challenge

The Obama Administration is promoting regional economic clusters, in part, through a multi-agency collaboration led by the Economic Development Administration (EDA), the U.S. Department of Labor, and the Small Business Administration. The agencies provided \$37 million to 20 diverse regions. These grants are enhancing the success of targeted economic clusters in each region through technical assistance and job training.

USDA is working with the Jobs Accelerator grantees that are based in rural areas or adjacent to nearby rural areas to identify ways in which USDA programs may be able to complement the grants and enhance the success of the regional clusters.

### *Jobs Accelerator grantees with a strong impact on rural regions include:*

- Northern Maine renewable energy cluster - Aims to transition 9,000 residential units and 20 commercial facilities to wood biomass fuel in 4 years. The project will create 260 direct industry cluster jobs and 196 indirect jobs in the regional economy.
- Upper Missouri River Tribal Environmental Risk Mitigation (South Dakota, North Dakota, Montana) - Will train tribal members for careers in environmental quality and technology businesses.
- Finger Lakes Food Processing Cluster (upstate New York) - Will promote expansion of existing food processing capabilities and use new technologies to focus on products that meet contemporary sustainability objectives.
- Northern Minnesota mining cluster - Will conduct research and promote development of new value-added products, especially from mining byproducts and under-utilized low-grade materials.
- New York renewable energy cluster (Hudson River Valley) - Will promote small business development and workforce training in the solar energy sector.
- Arkansas/Missouri/Oklahoma new technology cluster - Will focus on promoting new technology start-up companies.





- Southwest Pennsylvania innovation cluster - Will promote expansion of successful health and energy sectors to benefit underserved populations with training, new product development, and supply chain assistance.
- Eastern Tennessee carbon-fiber technology cluster - Will focus on expanding the low-cost carbon fiber technology sector.

## Other Regional Work

USDA is also leading or supporting other work that facilitates regional efforts in a variety of locations across the Nation. Here are some key examples:

***Tongass Regional Initiative, Southeast Alaska*** - Recent changes in Federal timber policy and the decline of housing construction have forced the timber-heavy Tongass Region, which traditionally relied on harvesting old-growth timber, to revisit its economic options.

USDA's Forest Service, Rural Development, and the Farm Service Agency are providing technical assistance and other resources so that the Tongass Region can design and implement a viable economic development plan. Funding is also being provided by the U.S. Department of Energy (DOE) and EDA.





# Promoting Regional Innovation in Rural Communities

***Sustainable Northwest Regional Initiative*** - Sustainable Northwest (SNW) focuses on collaborative and community-based use of natural resources in the Northwest. SNW is partnering with USDA's Forest Service as well as regional and local organizations to find ways to utilize resources in the Dry Forest Zone, a 15-county region in Oregon and northern California. This project includes an emphasis on training and technical assistance for businesses, nonprofits, and local communities, enabling each to play a role in building a vibrant regional economy.

***Rural Broadband Investment Program*** - Although broadband is key to economic growth, rural areas with dispersed populations or challenging terrain have difficulty attracting broadband service providers because of the high fixed cost of delivering service. USDA Rural Development's Rural Utilities Service provided \$3.4 million to 19 technical assistance projects, including some located in tribal areas, to create regional broadband development plans in 13 States. These grants of up to \$200,000 supported planning efforts that laid the groundwork for the future development of infrastructure and increased broadband access in rural areas.

***Strong Cities, Strong Communities (SC2) Initiative; Fresno, California*** - Thirteen Federal agencies, including USDA, are involved in the Strong Cities, Strong Communities initiative. USDA has a lead role in Fresno. This effort is aimed at developing and carrying out a regional economic development plan. Fresno is located in the agriculturally rich San Joaquin Valley, and the SC2 work in Fresno spills over into the surrounding, predominantly rural region. The Federal team is working with city officials in areas vital to the city's economic strategies. USDA is concentrating on strengthening and expanding the region's food industry.



***State Rural Development Councils (RDCs)*** - During the 1990s, USDA led the effort to establish State Rural Development Councils in more than 40 States. Most Federal financial support for these councils ended almost a decade ago, but a handful of them remain vibrant with State and foundation funding. USDA works with the active councils as board members and participates in projects that facilitate rural communities' efforts to work regionally.

For instance, the Wyoming RDC conducts county-wide assessments of assets and challenges, setting the foundation for regional economic development planning. (For the past 10 years, USDA Rural Development employees have participated in more than 100 community assessments.) In Vermont, the RDC carries out State-wide policy assessments and plan design, such as a "working landscape" project, which focuses on agriculture and forestry. The Vermont RDC engages players from a range of institutions to collaborate on a regional approach that upgrades key sectors of the regional economy.



***Farm to Institution New England (FINE)*** - Promoting healthier eating is a national priority, and building regional economic strategies around this goal will provide a strategic approach to enhance success. Through support from USDA and the John Merck Foundation, New England stakeholders are partnering with foundations, nonprofit organizations, and State and Federal agencies to develop a strategy that will improve delivery systems to provide local foods to large nearby institutions. The FINE coalition has formed to: rebuild farm productivity; reestablish effective local and regional processing; improve storage and distribution infrastructures; and support institutional cooking processes that use fresh, local produce and protein. These are a major part of the overall strategy to build a strong regional economy.

***Rural Wealth Creation Research and Practice*** - USDA (under the leadership of its Economic Research Service) is collaborating with the Ford Foundation on the issue of rural wealth creation. This work is intended to document best practices, and to develop a plan for further research, and dissemination. A key objective is to bring rural communities together to work on a regional basis. This work will ultimately produce insights that will enable regional efforts to create wealth to be more effective.

### **Looking Forward**

Much of USDA's work during 2011 on rural economic strategies is being continued during 2012. Indeed, the scope and resources devoted to the effort are being expanded. For example, HUD is now adding many regions under its Regional Planning Grant Program, and additional USDA Rural Development offices will be offering technical assistance to the new rural regions joining this





## Promoting Regional Innovation in Rural Communities

program. The SET initiative will be expanding to about 20 additional regions in 2012. SET's training and technical assistance program will also be upgraded in 2012, based on feedback from the first 36 regions where SET has been deployed.

### *Additionally, USDA will be moving into several new areas in 2012:*

- Rural Jobs Innovation Accelerator Challenge (Rural JIAC) - USDA, EDA, the Delta Regional Authority (DRA), and the Appalachian Regional Commission (ARC) are jointly funding a second round of JIAC grants. Round Two will focus on predominantly rural regions. By mid-2012, USDA, EDA, and DRA expect to select about 20 regions where a promising economic cluster can be strategically strengthened to build a stronger regional economy.
- Jobs and Innovation Accelerator Challenge (JIAC) advanced manufacturing – During 2012, EDA and the National Institute of Standards and Technology (NIST) will fund an additional round of JIAC grants aimed at moving select regions with a strong manufacturing cluster to a higher level of advanced manufacturing. USDA will participate in the design of this round to ensure that rural regions (and the rural parts of predominantly metropolitan regions) are given full consideration during program design.
- Appalachian Main Streets - EPA, ARC, and the National Association of Development Organizations (NADO) are developing a program to create “more vibrant” small town Main Streets in Appalachia. USDA Rural Development will support this effort in selected locations.

Through efforts such as those outlined in this publication and others, USDA is committed to helping advance regional development efforts in 2012 that can help strengthen rural economies around the Nation.





*Deputy Secretary of Agriculture Kathleen Merrigan (center) with participants of the White House Forum on Regional Innovation in Rural America.*

## **White House Rural Council, USDA host Forum on Regional Innovation**

In June 2012, leaders from more than 25 rural regions gathered in Washington, D.C., for the White House Forum on Regional Innovation in Rural America. Rural innovators gathered to share their successes and to meet with Federal government staff to explore how Federal programs can more effectively support regional approaches for economic development. Participants discussed regional food systems, biomass energy development, regional tourism strategies, capital access, and farm-land protection, among other issues. Discussion included the ways Federal programs can be better aligned to complement local regional strategies.

Following are a few of the organizations that were present at the event:

- ***Energize Clinton County*** – an economic development nonprofit in Clinton County, Ohio, that is responding to a recent employment crisis by helping to attract investment in local assets as a major component of the region’s economic development strategy. To improve its economic future, Clinton County is promoting local business development, local food and agriculture, and better understanding of the opportunities that exist in a green economy.
- ***Northwest Michigan Council of Governments*** – a regional organization that recently worked with the Northwest Michigan Council of Governments to organize food innovation districts (FID). In collaboration with local partners, it prepared a Planning and Economic Development Toolkit that communities statewide can use to establish and encourage FIDs.
- ***OneGeorgia Authority*** – a financial partner helping Georgia’s rural communities maintain an excellent quality of life while also creating sustainable and diversified economies. Recent investments target rural broadband connectivity, benefiting about 53,000 people, 2,272 businesses, and 246 community institutions.





## Promoting Regional Innovation in Rural Communities

- **Raton Basin Regional Economic Development District** – an effort of the Colorado counties of Las Animas and Huerfano, and Colfax County in New Mexico. These counties, selected for the USDA Stronger Economies Together program, are working to create an organization or venue that will maintain their regional partnership in the future.
- **Plumas Rural Services (PRS)** – a nonprofit organization in northeast California providing services and opportunities to improve quality of life and self-sufficiency by promoting health, education, prevention, and treatment. PRS staff recently completed the USDA Farmer’s Market Promotion Program and, as a result, low-income consumers in the area have gained greater access to fresh, healthy, locally produced food at two farmers markets.
- **The Progress Fund** – a certified Community Development Financial Institution that provides loans and technical assistance to small businesses in the northern region of Appalachia, including portions of Pennsylvania, Ohio, West Virginia, and Maryland. The Progress Fund supports businesses in the region’s tourism industry as a means for creating sustainable economic development and living wage jobs.

Other organizations in attendance at the forum were: Systems Technology Staffing (Ariz.); California State University, Fresno; Central Florida Regional Planning Council; Center of Innovation for Agribusiness (Ga.); Early County 2055 (Ga.); Golden Hills Resource Conservation and Development District (Iowa); Louisville Farm to Table (Ky.); Massachusetts Farm to School Project; Region Five Development Commission (Minn.); Ammonoosuc Conservation Trust (N.H.); Center for Integrated Manufacturing Studies (N.Y.); Southwest Rural Economic Area Partnership (N.D.); Southwest Virginia Cultural Heritage Foundation; Rochester Institute of Technology (N.Y.); Cherokee Nation (Okl.); FoodHub (Ore., Wash., Idaho, Mont., Alaska); Mid-Columbia Economic Development District (Ore., Wash); Cumberland Plateau Planning District Commission (Va.); Journey Through Hallowed Ground Partnership (Va., Md., W.V., Pa.); New River Valley Planning District Commission (Va.); Farm to Institution New England (Vt.); Lyndon State College (Vt.); and Southwestern Wisconsin Regional Planning Commission.





Published: July 2012

For more information about regional economic development efforts supported by USDA, call 202-720-0862. To find more information about USDA Rural Development, visit: [www.rurdev.usda.gov](http://www.rurdev.usda.gov), or call 1-800-670-6553.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

