



The EDACENTER

at the University of Minnesota, Crookston

The EDA Chronicle-February 2013

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Volume 3, Issue 2

Events of Interest:

February 19

- MGTA's Young Professionals meet Global Trade Leaders from 5:30-7:30PM at Famous Dave's in Minneapolis. For information and registration go to <http://www.mgta.org/cde.cfm?event=404651>.

February 26

- UMC Center for Entrepreneurial Studies Entrepreneur Speaker Series. Jill Blashack Strahan, the founder of Taste-fully Simple, will speak from Noon-1PM in Kiehle Auditorium on the University of Minnesota, Crookston campus. This is open to the public and admission is free.

March 6

- "Government Contracting Programs for Small Business". UMD Center for Economic Development is hosting this event from 1-4PM at the UMD CED office in Duluth Technology Valley. The event is free. Go to https://casper.d.umn.edu/biz/umdcde/wrkshops/index.php?main_page=product_info&cPath=9&products_id=645 for more information and registration.

March 14

- MTO's "International Trade Resources (You Shouldn't Be Without.) from 9-11AM at the DEED Conference Center. Cost is \$25 if pre-registered and \$30 for walk-ins. For more information, go to http://www.positivelyminnesota.com/Business/Exporting_Trade/Calendar_of_Events.aspx.

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New EDA Center Report from U of M Extension: *Institutional Healthcare Market for Local Produce*

There appears to be a growing trend towards purchasing foods from local and whole food sources, especially in the K-12 area (ITAP, 2012). Healthcare facilities, such as hospitals, assisted living facilities, and long-term care facilities also present a promising market for local and whole foods sources and are open all year. In a recent U of M Extension report entitled *Institutional Healthcare Market for Local Produce*, Ryan Pesch examines the extent of this particular market within four Minnesota counties. Within the counties of Becker, Clay, Otter Tail, and Wilkin counties there are 54 healthcare facilities (27 assisted living, 16 nursing homes, 7 semi-independent apartments, 3 healthcare campuses, and 1 hospital) which serve an estimated 8,680 daily meals on-site and purchase 385,140 pounds of fresh produce annually. The purpose of this study was to examine the market potential available in healthcare facilities across these four counties as it relates to crops grown in West Central Minnesota.

Extension reached out to 13 previous food service directors at healthcare facilities within the region. They received 10 responses, 9 of which were complete. Some of the major findings were: a majority of respondents were willing to purchase whole fruits and vegetables with larger institutions preferring processed fruits and vegetables, institutions preferred lettuce already processed when compared to all other fruits and vegetables, and all institutions were willing to purchase items like cucumbers, melons, strawberries and many other items in whole form. If the healthcare institutions in this area used local suppliers for these items, the total estimated market for fresh produce could range from \$93,245 for a typical summer season to \$207,115 for an extended growing season.

To read the entire report, please go to http://www.edacenter.org/downloads/Institutional_Healthcare_Market_for_Local_Produce_Pesch.pdf.

Minnesota Management and Budget Office Releases January Economic Update

The January Economic Update shows an overall increase in the general fund receipts of \$114 million (3.9% more than the November Forecast). Minnesota has received \$93 million more in corporate taxes and \$53 million from income taxes in November and December than projected in the November Forecast. Sales tax receipts in November and December were \$40 million less than projected. However, since most businesses pay sales taxes the month after purchases were made, only sales taxes

from November Christmas purchases have been paid. Sales taxes from December purchases were to be paid in January.

Expected economic growth has changed very little since the November Forecast. Provided a debt ceiling agreement is reached, the U.S. economy is expected to continue with slow GDP growth in 2013 (1.7%) with better growth in 2014 (2.7%) and 2015 (3.4%). Per capita personal income growth in Minnesota between 2007

and 2011 has exceeded U.S. per capita personal income growth. The per capita personal income in Minnesota is \$44,560, which is 7.2% higher than the U.S. average. Minnesota

now ranks 11th among all states in per capita personal income.

For the entire January Economic Update, please go to [http://](http://www.mmb.state.mn.us/doc/fu/13/update-jan.pdf)

www.mmb.state.mn.us/doc/fu/13/update-jan.pdf.

56th Annual Minnesota Inventors Congress Invention and Idea Show

The Minnesota Inventors Congress will host the 56th Annual Invention and Idea Show April 19th and 20th at the Redwood Area Community Center in Redwood Falls. This event has been held annually since 1958 and provides the opportunity for entrepreneurs to test market their products to the public. It also allows them the opportunity to interact with other entrepreneurs as well as interact with business development professionals who could help in certain areas of product development, such

as patent attorneys. Entrepreneurs may also participate in the "Inventing Success Workshops" conducted over the two days of the show.

Entrepreneurs interested in presenting their products to the public may register at <http://www.minnesotainventorscongress.org/invention-idea-show/registration/>. If you register by April 1st, the cost is \$345. This includes a 10 foot x 10 foot booth with a 6 foot table and chairs, a ¼ page advertisement in

the show guide, professional feedback session, and a free "Will My Business Succeed?" assessment.

The general public is also encouraged to attend and see what new products and ideas are being developed. General admission is \$5 and children under 16 years old get in free.

For more information, please go to <http://www.minnesotainventorscongress.org/invention-idea-show/>.

USDA PRESS RELEASE: USDA Preserves \$4 Billion in Agricultural Exports in 2012 by Knocking Down Barriers to Trade

USDA Secretary of Agriculture Tom Vilsack discussed how the USDA has resolved a number of issues related to exports in 2012. In doing so, these efforts freed up \$4 billion in agricultural and forestry exports and protected 30,000 jobs. "As consumers around the world demand high-quality, American-grown products, USDA staff are monitoring more than 160 markets to ensure an open system of trade, free from unwarranted and unjustified barriers," said Vilsack. "Since 2009, USDA has acted to remove hundreds of unfair barriers to trade for American companies and is providing businesses with the resources they need to reach new markets. These efforts have resulted in the most successful period in the history for American agriculture and a boon for America's rural

economies and agriculture-related businesses." The removal of these barriers is one of the goals of the Farm and Foreign Agricultural Services section of the USDA. To see information related to programs designed to improve the export of agricultural goods, you can go to http://goals.performance.gov/goal_detail/USDA/341.

According to the USDA, American agricultural products have increased in popularity around the world. They indicate agricultural exports support more than 1 million jobs and more than \$478 billion in exports between FY 2009 and FY 2012. There is also an expectation that 2013 could set new records in the revenue generated by agricultural exports. If this trend continues, the agricultural exports market will

play a huge role in the goal of doubling exports by the end of 2014 under President Obama's National Export Initiative.

For the entire February 1st press release, please go to http://www.usda.gov/wps/portal/usda/usdahome?contentid=2013/02/0018.xml&navid=NEWS_RELEASE&navtype=RT&parentnav=LATEST_RELEASES&deployment_action=retrievecontent.

2011-2012 Local Area Unemployment Statistics and Current Employment Situation

After seasonal adjustments, US unemployment in December stayed at 7.8% while unemployment in Minnesota dropped to 5.5%. Unemployment claims in December increased to 35,119 when compared to November. However, unemployment claims dropped to 2.1% when compared to December 2011.

Minnesota employers added 9,100 jobs in December. Trade/Transportation/Utilities (3,900) and Professional/Business Services

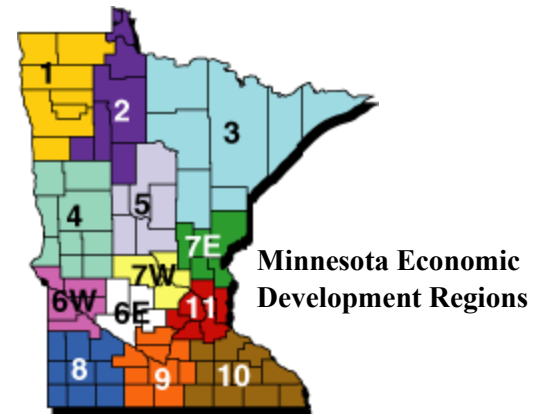
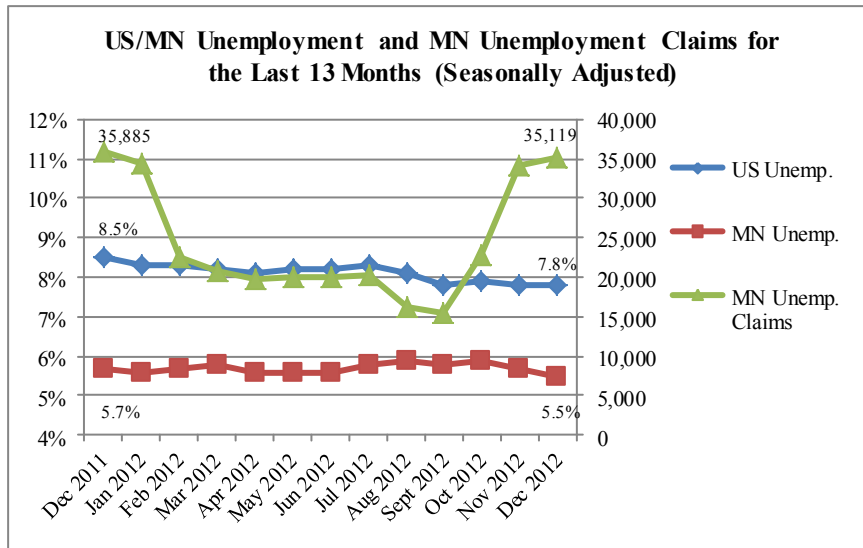
(2,500) had the largest gains in December. Education/Health Services (1,800), Manufacturing (1,400), Information (1,400), Government (900), Leisure/Hospitality (800), and Financial Activities (600) also experienced gains. Industries which experienced job losses in December are Construction (-3,500) and Other Services (1,500). There was no change in Mining.

Minnesota has grown 1.9% from 1 year ago with 50,741 additional jobs

over the past year. The 1.9% growth in Minnesota is above the U.S. growth rate of 1.4% for the last 12 months.

All of the EDRs experienced an increase in unemployment in December. Unemployment numbers for the EDRs are NOT seasonally adjusted.

Go to the DEED website; www.positivelyminnesota.com to view more employment and wage statistics.



2011-2012 Minnesota Unemployment by Economic Development Region (Not Seasonally Adjusted)

Date	EDR1	EDR2	EDR3	EDR4	EDR5	EDR6E	EDR6W	EDR7E	EDR7W	EDR8	EDR9	EDR10	EDR11
Dec 2011	6.0%	8.2%	6.9%	5.5%	8.3%	6.5%	5.5%	8.5%	6.4%	4.4%	5.4%	5.4%	5.3%
Jan 2012	7.7%	9.3%	7.8%	6.4%	9.5%	7.5%	6.4%	9.9%	7.3%	5.4%	6.2%	5.9%	5.7%
Feb 2012	7.9%	9.7%	8.0%	6.7%	9.8%	7.8%	6.8%	10.2%	7.6%	5.8%	6.6%	6.4%	5.9%
Mar 2012	7.5%	9.7%	8.1%	6.4%	9.4%	7.8%	6.6%	10.0%	7.4%	5.5%	6.4%	6.3%	5.9%
Apr 2012	5.8%	7.6%	6.7%	4.5%	6.8%	5.8%	4.8%	7.5%	5.5%	3.9%	5.0%	4.8%	5.0%
May 2012	4.8%	7.0%	6.4%	4.2%	6.1%	5.5%	4.6%	6.8%	5.3%	4.0%	5.0%	4.9%	5.2%
Jun 2012	5.1%	7.6%	7.0%	4.7%	6.6%	6.1%	5.2%	7.0%	5.7%	4.7%	5.5%	5.5%	5.8%
Jul 2012	5.2%	7.8%	7.1%	4.7%	6.6%	6.2%	5.2%	6.9%	5.8%	5.1%	5.7%	5.6%	5.9%
Aug 2012	4.8%	7.1%	6.7%	4.4%	6.3%	5.8%	4.9%	6.6%	5.5%	4.5%	5.3%	5.3%	5.7%
Sept 2012	4.3%	6.5%	6.2%	4.1%	6.0%	5.3%	4.4%	6.2%	5.2%	4.2%	4.9%	4.8%	5.4%
Oct 2012	4.1%	6.7%	6.1%	4.1%	6.2%	5.3%	4.4%	6.2%	5.1%	4.7%	4.9%	4.8%	5.3%
Nov 2012	4.5%	7.1%	6.5%	4.1%	6.9%	5.4%	4.2%	6.5%	5.1%	3.9%	4.6%	4.5%	4.9%
Dec 2012	5.7%	8.1%	6.9%	5.2%	8.1%	6.1%	5.4%	7.9%	6%	4.2%	5.2%	4.9%	5%

Minnesota Intelligent Rural Communities Project Summary: Final Report to be Available within the Next Couple of Months

In 2010, the Minnesota Intelligent Rural Communities (MIRC) project began with the intent of asking one question... do community programs designed to promote broadband awareness, adoption, and deployment work in rural Minnesota? To answer this question, the Blandin Foundation funded MIRC project coordinated approximately 100 separate community-based projects across the 11 demonstration communities in rural Minnesota. With the help of PCs for People, University of Minnesota Extension office, Minnesota Department of Employment and Economic Development (DEED), Minnesota Learning Commons, Minnesota Renewable Energy Marketplace, and all regional development commissions across greater Minnesota the MIRC project distributed over 2,000 computers to low-income families, conducted over 31,000 hours of training to approximately 9,000 individuals and over 2,000 small rural businesses, and also reached over 250,000 rural Minnesotans over the past two years.

With the extensive public awareness campaigns and education/training programs, we expected to see higher growth in broadband adoption over the past two years within our demonstration communities when compared to rural Minnesota as a whole. What we found is rural communities with these campaigns grew almost 15% faster than the rest of rural Minnesota. On the surface, it would appear growth in these communities was directly related to interventions in each community.

However, we know there are socio-economic factors which can affect broadband adoption and, as a result, affect broadband growth. With that being the case, we also evaluated various socio-economic characteristics of each demonstration community to see if the interventions or the communities themselves played a role in broadband growth.

When examining baseline adoption rates, we saw the obvious relationship among the various socio-economic factors we collected and broadband adoption. However, when we examined the growth in each of these communities, the relationship among the socio-economic factors and broadband adoption growth was not as clear. While there was still some relationship among the socio-economic factors and broadband adoption growth, it was not as obvious as the relationships among growth and certain measures of the campaigns within the communities (awareness of digital literacy projects, participation in projects, and number of projects within the community).

The results of this project indicated that digital literacy and awareness campaigns do work when designed to impact broadband adoption as long as communities coordinate efforts to promote these campaigns. We saw that communities where people were made aware of projects related to broadband use as well as residents who used them exhibited the fastest growth over the course of the study. Not only that, but there was faster growth in the communities with a larger number of pro-

jects.

While broadband adoption rates may always be affected by certain socio-economic factors, these are things we cannot easily (if ever) change. This study does give us an indication we can still affect broadband growth in any rural community if we design and implement digital literacy and awareness campaigns effectively as well as take some of these socio-economic factors into account. For example, low-income areas will probably not benefit as much from digital literacy training if there is a low percentage of the population who own computers. With PCs for People distributing refurbished computers to low-income families, this makes it possible for low-income families to benefit from digital literacy training. If these low-income families now have a computer and participate in digital literacy training it might lead to further use of digital technologies, such as broadband adoption.

Watch for the final report in the next couple of months by visiting www.edacenter.org.

Workforce Development Institute Conference Includes Discussion on Role Community Colleges Play in Rural Economic Development

Workforce development is one of many topics garnering much attention across the nation. With the estimated “skills gap” that is expected, it is important to determine how we can best help improve the skills of the workforce. In fact, DEED is in the process of surveying employers within six occupations to determine the extent to which employers have difficulty finding qualified workers as well as what factors related to the job itself that may be contributing to job vacancies (Feb 6 DEED Skills Gap Study post at http://www.positivelyminnesota.com/Newsroom/Social_Media/Blog/DEED_Developments_Blog.aspx). This subject also came up at the recent American Association of Community Colleges’ annual Workforce Development Institute Conference in San Diego, California.

The American Association of Com-

munity Colleges was founded in 1920 and currently represents almost 1,200 two-year, associate degree-granting institutions.

“Designed as a comprehensive program for community college-based workforce service providers, the Workforce Development Institute (WDI) is an annual three-day conference that aims to educate, invigorate, and motivate those who are new to workforce development as well as seasoned practitioners.” A topic of one of the panel discussions was entitled “Expanding the Economic Base in Rural America”. One of the speakers was Doug O’Brien, who is the Deputy Under Secretary for Rural Development within the USDA. He discussed the importance of the USDA and community colleges across the country working together to support and improve the economy in rural areas. He commented, “It’s vital that we

provide our rural businesses with the highly skilled employees they need to create economic opportunities. Together USDA and community colleges can help improve both the accessibility and quality of education in our rural communities that will in turn help businesses create jobs and grow the rural economy.” This is a main goal of the memorandum of understanding signed by the USDA and two community college associations (American Association of Community Colleges and the Rural Community College Association). This agreement will allow these organizations to work together and provide access to education and training to rural residents.

For more information about the American Association of Community Colleges, please go to <http://www.aacc.nche.edu/Pages/default.aspx>.

New EDA Center Report from U of M Extension: Kandiyohi County Business Broadband Survey Results

Ben Winchester, Research Fellow with the University of Minnesota Extension Center for Community Vitality recently released survey results of a selection of businesses in Kandiyohi County. The goal of this survey was to “enhance an information infrastructure” that will allow the Kandiyohi County EDC to establish communications with area businesses. As a result, existing businesses were surveyed to determine “internet utilization patterns, interest in technology training, and satisfaction with the business climate in the county”. A total of 405

businesses were sent surveys with 94 businesses responding.

Business owners were also asked about skills they desired in new employees. One of the skill sets frequently cited as related to computer skills and graphic designs. The fact that over half of the respondents indicated some percent of their sales occurred via the internet (54%) and that 42% of the respondents indicates more than 80% of their employees use the internet for work reinforces the role computer-related experience some potential employ-

ees will need to have to obtain some jobs in the future.

One interesting aspect of the survey results is how respondents recognize the impact the internet could have on their business. When asked “If there was one thing that your business is not currently doing on the internet that you would like to do, what would it be?”, responses ranged from utilizing social media to conducting sales on the internet. The most often cited responses were development of a website and use of social media, such as Facebook,

to attract more business.

Marketing and promotion was another common theme, especially when respondents discussed internet activities they would like to learn to use. In fact, 66 of 132 responses related to internet activities they want to learn about had something to do with marketing and promotion. The methods of marketing and promotion mentioned were simple ways of having a presence on the internet by

having a website or publishing business in various online directories. Other ways of marketing and promotion mentioned were to get their business location fixed on Google Maps so they are easier for potential customers to locate.

Finally, when asked what business owners would like to see happen in Kandiyohi County, a major theme present related to funding. Some comments related to lowering taxes,

which would make it possible for business owners to have more funds available to put back into their business. There were also some comments related to having more financial resources available for business owners to access.

To read the entire report, please go to http://www.edacenter.org/downloads/2012_EDC_Survey_Results_Report.pdf.

UMC Center for Rural Entrepreneurial Studies Entrepreneur Speaker Series: Speaker Profile-Jill Blashack Strahan

By Rachel Lundbohm

On February 26, Jill Blashack Strahan will be speaking on the University of Minnesota, Crookston Campus from noon-1 PM in Kiehl Auditorium. She is the founder of Taste-fully Simple, a direct sales company based out of Alexandria, Minnesota.

She is one of the nation's leading female entrepreneurs and has been named one of the top CEOs in the nation by Inc., Pink, and Fast Company magazines. In her presentation titled, Small Beginnings and Big Dreams, Jill will share three success factors for entrepreneurs and her

straight-forward philosophy for building a multi-million dollar business. The event is open to the public and there is no charge for admission.

For more information about CRES, please go to <http://www.umccres.org/>.



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The EDA Center at the University of Minnesota, Crookston is one of more than 40 university centers nationwide, supported by the Economic Development Administration, U.S. Department of Commerce.

We conduct applied research, provide direct technical assistance and deliver educational programs development agencies that support the economy of economically-distressed rural communities throughout Minnesota.

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