

CENTER FOR REGIONAL COMPETITIVENESS



New Elements in a RiverLands Food and Ag Strategy

Mark Drabenstott, Director

Sean Moore, Research Analyst

Anna Ojanen, Research Analyst

Meeting Overview

Regional business and economic development leaders gathered on June 5 to review the state of the food and ag sector in RiverLands and explore ways to seize new opportunities. The food and agriculture sector has deep roots in the RiverLands region. Meeting participants agreed, however, that in order to thrive in an environment of mounting global competition, the region must shift from a historic reliance on agricultural commodities to emerging opportunities in niche markets. Most of the best opportunities for RiverLands appear to lie in the realm of small farming, local foods, and specialty food production. To be sure, the region will continue to have a comparatively small number of producers who remain competitive in commodities, but participants felt this group would be “self-sufficient” and also will not likely spur any new economic development in the region. Therefore, the region’s best food and agriculture option is to develop a comprehensive strategy to seize new specialty food and niche opportunities. This approach will have some important synergies with separate efforts to spur tourism in the region. Finally, participants felt that conditions are right in the region to increase biomass and energy production. However, it is not clear whether this will be of sufficient scale to have a big economic impact on the region.



Strategic Assets

Meeting participants identified a number of areas in which the region has a distinct edge in food agriculture, including the following:

- **Commodities Assets**
 - Good topography for farming
 - Strong, but not strongest in livestock, with very competitive pockets
 - Competitive grain and soybean production, with very competitive pockets
- **Value Added Assets**

- An up-and-coming local foods movement
 - An emerging wine/wineries industry, with signs of strength
 - New and prosperous local breweries
 - Many well-established farmers markets
- **New Frontiers**
 - Good infrastructure for biomass/energy production
 - Strong demand for ag tourism and “experience” tourism

Food and Agriculture Strategic Options

RiverLands appears to have several strategic options that are beginning to emerge in food and agriculture. None of them is far along, however, and a comprehensive strategy to integrate them is not yet apparent to leaders in the region. Participants agreed that commodity production would remain an important, but separate, element of food and agriculture in the region, and thus not part of this overall strategy.

1. Support a new renewable fuel industry in RiverLands

By one estimate, up to 20 percent of RiverLands total land resource may be highly suited to biomass production. These lands are “fragile,” and ill-suited to other types of food or commodity production. Thus, this strategy will be highly complementary to other strategic options. A comprehensive strategy for RiverLands biomass production is lacking, however. Due to the need to transport huge volumes of biomass, regional coordination may pay big dividends. A comprehensive strategy would also help to focus the region’s activities; participants noted there are currently three or more areas in the region with different biomass strategies.

2. Expand specialty foods production, with a focus on regional branding and synergies with tourism

Leaders noted that local foods are gaining momentum in RiverLands, but the activity is highly fragmented at present. The region has many local food markets, though most are seasonal. A real problem for many specialty food growers is marketing their products and supplying them in sufficient scale to attract the attention of grocers and restaurants. Thus, one critical element of the strategy may be cooperative business models that can build brand recognition that benefits all growers. Another important element of this strategy will be developing synergies with the region’s emerging tourism strategy. Wine trails, agri-tourism, and promoting local products in the region’s restaurants and inns will be critical shared initiatives. Leaders felt that land-grant universities could be important partners in this overall strategic thrust.

3. After creating a regional brand, grow markets in nearby metropolitan areas

Participants agreed that near-by markets like Chicago offer huge upside for specialty foods grown in RiverLands, but breaking into these markets will require skill and planning. A regional brand will be an important first step before considering a broader marketing strategy beyond the region. Moreover, several participants noted that if the Region can attract more tourists to the region and they learn about the Region’s high quality specialty foods, the markets will grow by word of mouth. In the end, though, leaders also acknowledged that the biggest potential for the region’s specialty foods will be in markets, like Chicago, that lie beyond the region itself. Tapping these markets will require a concentrated marketing strategy that likely can be mounted only through regional collaboration, and with cooperative business models that unite the diverse strengths of a large number of specialty food growers. Again, land grant universities could be good partners in developing suitable approaches to both branding and the best business model.