

CENTER *for* RURAL POLICY and DEVELOPMENT

Seeking Solutions for Greater Minnesota's Future

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Center Welcomes New Board Members

The Center for Rural Policy & Development recently announced the appointment of five new members to its board of directors: Michael Brethorst, Barnesville; Neal Cuthbert, Minneapolis; John Monson, Cannon Falls; Nancy Straw, Fergus Falls; and Ben Brunsvold, Moorhead. Brethorst, Cuthbert, Monson and Straw were appointed to the board by Gov. Tim Pawlenty to represent particular rural interests in Minnesota, while Brunsvold was appointed by the board members themselves as an at-large member.

Brethorst, of Barnesville, is the chief operations officer for the City of Barnesville. He is a captain in the Minnesota Army National Guard where he holds the position of senior counter intelligence officer with the 34th Infantry Division. Brethorst earned a master of science degree in public, human services, and health administration from Minnesota State University Moorhead; a bachelor of science degree in public administration and community and economic development administration from St. Cloud State University; and an associate of arts degree in business from Fergus Falls Community College. Brethorst will represent rural towns under 5,000.

Cuthbert, of Minneapolis, is the vice president of the McKnight Foundation's arts program, where he provides leadership, management and oversight for all grant program-related activities. Prior to his work at McKnight, Cuthbert was director and publisher of the Artpaper and worked as a planner for the Metropolitan Council. Cuthbert is appointed as representative of a private foundation.

Monson, of Cannon Falls, was appointed by President Bush to serve as Farm Services Agency's State Director in Minnesota, the youngest presidential

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Women to be focus of next Rural Minnesota Journal

The next issue of the Rural Minnesota Journal will feature rural Minnesota women as the topic. Each issue of the Journal focuses on one topic. In this particular issue, authors will be looking at women balancing work and family; productive aging; women and health care; the immigrant experience; demographic trends for rural women, and more.

This will be the Center's fifth issue of the Journal. The Rural Minnesota Journal is released twice a year and features articles by experts on various aspects of a particular topic. Issues in the past have covered health care, education and institutional change. To read past issues of the Journal, visit our web site at www.ruralmn.org and click on the "Rural MN Journal" link to download. Copies can also be ordered from the Center or picked up at our office in St. Peter. The next issue of the Journal will be released in late October.

Minnesota State Colleges and Universities' programs and services help sustain rural communities

James H. McCormick
Chancellor, Minnesota State Colleges and
Universities system

With 53 campuses across the state, the Minnesota State Colleges and Universities system is well known for the major role it plays in educating students. One in every five people in the Minnesota workforce is a graduate of a system college or university.

Our faculty members also are known for lending their expertise to resolving local issues. State university faculty, in particular, engage in applied research that assists their regions. And

students help improve their local areas by linking classroom learning with community-based research.

But many people don't know that our colleges and universities also offer a broad array of programs and services to support other kinds of economic development, workforce training and leadership development to help rural communities.

These initiatives align with the Board of Trustees' strategic plan, which calls for providing programs and services that enhance the economic competitiveness of the state and its regions. Our colleges and universities take a holistic approach to fulfilling this goal by contributing artistic, cultural and civic assets to enhance their local areas.

Among the notable programs are the system's Centers of Excellence in engineering and manufacturing, health care and information technology. In 2005, the Board of Trustees established centers at four state universities. The universities work with 18 community and technical colleges. The centers offer state-of-the-art educational programs, conduct applied research and connect with K-12 schools and business and industry to help local economies thrive and to position Minnesota for a strong future.

The Minnesota Center for Engineering and

Manufacturing Excellence at Minnesota State University, Mankato, for example, focuses on attracting students to study engineering as a career; develops engineers and technicians with skills that support advanced manufacturing milestones; initiates innovation in developing and using renewable and recyclable resources; assists industry in meeting critical needs through customized training; and promotes best practices in engineering and manufacturing education.

Here is a brief rundown of other programs and services that aid rural communities:

Customized training provides individually tailored courses to meet a company's needs. Topics range from general business skills, such as sales, cultural diversity, customer service and project management, to industry-specific training in computer and information technology, health care, manufacturing, trades and industry, transportation and more. With customized training, companies can increase profitability, build a more productive and quality-oriented workforce, increase efficiency, enhance employee loyalty and retention, remain competitive and reduce turnover. To find a customized training office at a system college or university, go to www.mnscu.edu/business where you can search for customized training

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Rural Perspective

*U.S. Rep. Collin C. Peterson
Chairman, Agriculture Committee*

Last week, a few constituents from Detroit Lakes came to Washington and stopped by my office to visit and take a picture on the Agriculture Committee balcony. It's a pretty nice setup out there, with a view overlooking the Capitol, and I joked that if we had to fight for the space again we may not be so lucky. But having just come through the fight for the Farm Bill, which enacted a strong piece of legislation in the face of unprecedented opposition, I like our odds.

The 2008 Farm Bill reauthorization process was a long one – beginning with field hearings more than two years ago and ending with the override of the President's veto in June. There were certainly many obstacles to overcome, but the final product continues and improves on programs that work, and enacts reasonable reform in other areas to take us into the future for American agriculture.

Sticking With What Works

Most importantly, the Farm Bill maintains the safety net that helps farmers provide a safe and abundant supply of food, fuel and fiber for America. Commodity prices fluctuate. The safety net provides important certainty for farmers and costs the government very little when prices are high. This is a fiscally responsible and sensible approach to supporting producers during difficult times.

Similarly, the bill extends the current sugar and dairy programs, with a few modifications, to continue successful production in those areas and preserve American jobs. Congress stuck with the programs that work well, both in the field and for the budget.

Making Historic Investment

The 2008 Farm Bill makes historic new investments in emerging areas of agriculture – including the first title devoted solely to Horticulture and Organic Agriculture, and providing \$1.3 billion in new money for fruit and vegetable growers. The new law also expands access to locally grown foods, and increases total spending on conservation programs by \$7.7 billion, which will do great things for the country — and especially for residents here in our part of Minnesota.

Another new investment in this bill that will dramatically impact our local producers is the inclusion of a standing disaster assistance program.

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Center for Rural Policy & Development board elects new officers

The Center for Rural Policy & Development is also pleased to announce the election of new officers to its board of directors.

Lois Mack will replace Daniel C. Reardon as chair of the board of directors. Mack, a longtime official with the Minnesota Department of Commerce, is currently retired and living at her farm in rural Waterville.

William McCormack was elected vice chair and will replace Mack. McCormack is Executive Vice President, Administration and President, Schwan's Development Corporation in Marshall and has been a member of the Center's board since 2006.

Garfield Eckberg was elected secretary/treasurer and will replace Neil Eckles in that capacity. A farmer in rural Nicollet County, Eckberg is a founding member of the Center's board of directors and represents Minnesota Farm Bureau. All officers' terms are for two years.

New Board Members Appointed

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appointee in state history. Monson served on the United States Department of Agriculture (USDA) Secretary's Farm Policy Steering Committee throughout his term as state director. Monson joined AgStar Financial Services in 2006 as the vice president of rural finance, where he is responsible for economic business development. As a board member, Monson will represent rural business.

Straw, of Fergus Falls, is the president and chief executive officer for the West Central Initiative where she is responsible for strategic planning, operations, and fundraising. She is a member of the Minnesota Humanities Center, Regional Economic Development Group, and the Federal Reserve Bank Advisory Council on Small Business and Labor Council Foundations. Straw represents a regional initiative organization.

Ben Brunsvold, of Moorhead, is a retired attorney and a Clay County Commissioner. He is active with the Community Action Program, Family Services Collaborative and Greater Fargo-Moorhead Economic Development. His chief interests are economic development, job development and public health. He was appointed by the board to fill an at-large position.

Rep. Collin C. Peterson cont.

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Producers around the country have suffered the effects of droughts, floods, wildfires, freezes and blizzards, collectively losing millions of dollars in crops and livestock. The ad-hoc disaster bills passed in previous years took too long to pass and were unnecessarily expensive. This new permanent disaster program will ensure that farmers and ranchers get assistance in a timely and fiscally responsible manner.

Finally, the 2008 Farm Bill makes historic advances in the government nutrition programs – providing \$10 billion in new money to combat food insecurity and provide low-income families with access to food that is healthy and fresh.

Including Reasonable Reforms

The 2008 Farm Bill addresses recent changes in the marketplace and rebalances the farm programs to improve equity among commodities — increasing target prices for northern crops like wheat, sorghum, barley, oats, and soybeans and rebalancing the loan rates on wheat, barley, oats, oilseeds, graded wool and honey. It also provides U.S. farmers with the choice to opt into the new Average Crop Revenue Election (ACRE) program, a new way of looking at farm programs by ensuring revenue instead of price.

The law also makes changes to ensure that the money gets to where it is most needed: to hardworking family farmers and ranchers. It reforms farm program eligibility so that those with non-farm income greater than \$500,000 are ineligible for all farm program payments and those with farm income greater than \$750,000 will not receive any fixed direct payments. Similarly, it imposes new payment limitations on farm programs, capping direct and counter-cyclical payments for a single farmer at \$40,000 and \$65,000 respectively (\$32,000 and \$73,000 for ACRE participants).

Planning For the Future

More generally, the Farm Bill programs will benefit everyone by taking the country into the next generation of biofuels, helping to stabilize food and energy prices and ease some of the burden on corn. The law includes one program in particular that will greatly encourage the production of feedstocks for cellulosic ethanol and other biofuels — the Biomass Crop Assistance Program. This new program provides for multi-year contracts for crop and forest producers to grow dedicated energy crops and gives incentives for producers to harvest, store, and transport biomass to bioenergy facilities.

Basically, this farm bill has something in it for everyone and it's no surprise that it received such widespread, bipartisan support. This is a Farm Bill for farmers. It's a Farm Bill for consumers. It's a Farm Bill for anyone who likes to eat, wear clothes, breathe clean air or go hunting. It's a Farm Bill for rural America, urban America and everything in between. Of course there will always be critics, but farm policy is more about evolution than revolution. I am proud of what we have put together and confident that this Farm Bill will do great things for American agriculture.



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Fall 2007

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What's on the mind of rural Minnesotans? It's likely pretty similar to what's on the mind of many other rural citizens around the country. And it's surely wrapped up in concerns about the cost of fossil fuels and the products derived from them. It's probably also a good bet to say folks are concerned about rising food costs; an increasing reliance on lower paying retail service jobs and service jobs in general; the rising cost of education and issues of declining enrollment; the accessibility and cost of health care; the shrinking of retirement investments; and the declining buying power of the dollar, especially those stagnant Social Security checks.

If we at the Center had answers to all these dilemmas we would be magicians indeed. We do, however, have the resources and knowledge to shed light on some of these issues to help people better understand the particular needs rural Minnesotans are facing in these times of change.

Obviously, we cannot take on every challenge. We need to pick and choose those that we believe are on the top of most communities' agendas and that we believe can be affected. So far this year we have selected two major areas of research, education and bioscience. Almost every rural community is having challenges with their education budget. Many are facing significant declines in enrollment, and families are concerned that the quality of their children's education is sliding. We asked some experts to help us figure out what we can do about this problem. We need to know about new approaches to learning that are more cost effective and improve quality, and we need to know how to implement them. And we need to know where modest investments can get the best bang for the buck. We will have some suggestions later this year.

The State of Minnesota has a long history of developing its workforce through its universities and technical schools, both public and private. The State Department of Employment and Economic Development monitors job trends and studies areas that show industries that have the most opportunities. In recent years we have come to understand that the field of bioscience has the potential to grow many well-paying jobs that families can live comfortably on. Many economic developers have told us that if we don't proactively go after a bioscience industry we will lose out in the national and global competitive arenas.

Minnesota has long been a leader in bioscience, particularly in the areas of medical devices and the prevention and cure of diseases. In recent years many of the jobs that came as a result of Minnesota research and invention

What's Up Next?

Louis G. Hohlfeld, Ph.D.
Interim President

have gone to companies located in other states and countries. Everyone in the field seems to think we can do much better at capturing those jobs and raising the average wages of rural areas with them. The Center is working with experts to see how it can be done better. Expect some news later in the year.

In the next couple months we will be coming out with two impact studies. These are very short studies that pick a very specific issue to inform people about what rural communities are facing.

The first study will deal with the rising cost of gasoline and how it is affecting rural people. Metropolitan dwellers are not alone in their complaint about energy costs. Too often they forget that their neighbors in rural areas are getting hit a whole lot harder. Rural people need to travel longer distances, travel more often, and in more difficult weather. All this takes a disproportionate share of a rural paycheck. Our study will go into detail about

this issue and give our legislators some data to better think about the problems their constituents are facing. It may also show our urban brethren that, "Sure, things could be worse."

The second study focuses on how the cost of fossil fuel is affecting agriculture and consequently how that is impacting our grocery bills. Many people, especially those not familiar with agricultural production, food processing and transportation, try to find easy explanations for rising food prices. Some say it's all because farmers are turning everything they grow into ethanol or biodiesel. So it follows, then, that the farmers are getting really rich as the price of food goes up. Unfortunately for the farmer, it's not that simple.

When the farmer goes to buy fertilizer, the cost is double what it used to be because it's made partially from natural gas, the cost of which has also risen dramatically. We will all feel the price when next winter arrives, but the farmer takes a double whammy since most grains are dried with it. Ethanol and biodiesel actually keep prices down when they are used in farm machinery. On the other hand, some of the early developed ethanol factories still use natural gas in the production process. So ethanol isn't immune from this energy dilemma either. Our study will shed some light on some misunderstandings about the farm economy by laying out the facts and issues.

As these studies roll out, we at the Center hope they help everyone understand life in rural areas better. With more facts we hope decisions makers can make more targeted investments and better shape our future.

McCormick cont.

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by institution, city or region. You also may call (800) 366-7380 or send an e-mail to business@so.mnscu.edu for answers to your questions and help finding a college or university to meet your training need.

Online professional development and employee training allows employees to acquire new knowledge and skills at their own convenience, and it can be customized to a specific business' needs.

Small Business Development Centers offer free consultation on management, marketing and financing for small businesses. Several campuses host such centers, operated by the Minnesota Department of Employment and Economic Development.

Small business management education programs offer instruction to small business owners individually or in small groups, usually at the company's site.

Veterans Service Centers serve military veterans with counseling, GI certifications and tutorial assistance. Veterans can get help finding state and federal resources as they begin or continue higher education. Currently, 44 campuses have veterans' centers.

Career Service Centers help companies find well-rounded and highly skilled potential employees. More than 85% of the system's 34,000 graduates each year find jobs in a field related to their area of study. Companies can post job openings and find prospective employees through career service centers on every campus.

Minnesota WorkForce Centers assist employers and job seekers in finding employment and training services. Operated by the Minnesota Department of Employment and Economic Development, the centers offer employment and training services to employers and job seekers. Seven of the state's 47 WorkForce Centers are on campuses of the Minnesota State Colleges and Universities system.

Among the services WorkForce Centers provide are job listings on the MinnesotaWorks Web site (minnesotaworks.net), resume searches, job screening and computerized skills matching, job-skills analysis of position duties and tasks, labor market information, tax credit information for employers, conferences and training seminars for employers and veterans employment representatives.

Specialized centers at various Minnesota State Colleges and Universities also provide unique services. For example, Alexandria Technical College has a Center for Automation and Motion Control:

www.camc-online.org. Besides offering degree programs and customized training in advanced manufacturing technology, the center in Alexandria has a Manufacturing Automation Research Laboratory. This classroom and laboratory is the most technologically advanced automation in Minnesota with its sophisticated manufacturing hardware, software and networking capacity.

Other specialized centers include the Center for Sales Excellence and the Minnesota Center for Automotive Research, both at Minnesota State University, Mankato; the Center for Research and Innovation at Bemidji State University; the Marketing Assistance and Research Solutions center at Bemidji State; the Center for Women Entrepreneurs and Entrepreneurship at Metropolitan State University; the Composite Materials Technology Center at Winona State University; the Johnson Center for Virtual Reality at Pine Technical College; the M-powered Manufacturing Center at Hennepin Technical College in Brooklyn Park and Eden Prairie; and the Southwest Marketing Advisory Center at Southwest Minnesota State University in Marshall.

Farm Business Management programs assist farm owners and operators or persons interested in farming in meeting their business and personal goals through educational programs. With 105 farm business management instructors, the programs are offered at 85 sites around the state. For more information, go to www.mgt.org/fbm/index.htm or contact Richard Joerger at richard.joerger@so.mnscu.edu or (651) 297-1484.

Minnesota Job Skills Partnership grants from the state are also available to employers who join with one or more Minnesota State Colleges and Universities. In 2007, 33 Minnesota employers were awarded 35 grants with the Minnesota State Colleges and Universities totaling \$6.4 million to train more than 9,000 workers through the Minnesota Job Skills Partnership program.

Operated by the Minnesota Department of Employment and Economic Development, the program pairs at least one Minnesota educational institution and one business. Fond du Lac Tribal and Community College in Cloquet, for example, received a \$328,180 grant to improve entry-level and advanced skills in industrial rigging, fluid power and welding for 318 Sappi Fine Paper North America employees. For more information about this program, contact the customized training office at any of the Minnesota State Colleges and Universities or call (800) 366-7380.



McCormick cont. CONTINUED FROM 3

In the future, we look forward to finding new ways to improve our programs and services and to developing more innovative ways that support rural communities and sustain the high-quality of life we have in Minnesota.

Minnesota State Colleges and Universities Resources

Minnesota State Colleges and Universities

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WorkForce Centers

minnesotaworks.net

Career Service Centers

www.mnscu.edu/business/recruitment/careerservicecenters.html

Online Corporate Services

www.mnonline.mnscu.edu/corporate/

Minnesota Job Skills Partnership Grants

www.mnscu.edu/business/traininggrants/index.html

Veterans Services

www.mnscu.edu/students/veterans/index.html

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