Governor’s Rural Challenge: A 10-Year Strategic Plan
Increasing Rural Tennessee’s Capacity to Produce

2014 Progress Report
OVERVIEW:

In December 2012, Gov. Bill Haslam challenged the Tennessee Farm Bureau Federation (TFBF), the Tennessee Department of Agriculture (TDA) and the University of Tennessee Institute of Agriculture (UTIA) to help develop a strategy for ensuring the growth and prosperity of agriculture and forestry over the next decade. He set a goal of making Tennessee number one in the Southeast in the development of agriculture and forestry. He emphasized opportunities to increase farm income and agribusiness investment, asking for practical, affordable and actionable steps to boost rural economic activity.

The plan, which outlines four major recommendations and 27 specific action steps, was developed in 2013 with broad public input and guidance provided by a blue-ribbon steering committee of government, academic and industry leaders.

A year after its presentation to the governor, the Executive Committee provides the following report on areas in which implementation has begun or significant progress has been made toward making the plan a reality. The plan will continue to be reviewed and adapted as needed to remain on target with goals and objectives.

“A strong rural economy is critical to the future of our state. Tennessee depends on agriculture and forestry, and we need to focus on those areas to remain competitive nationally and internationally.”

Gov. Bill Haslam
RECOMMENDATION ONE:
Advance agriculture, natural resources and rural infrastructure as Tennessee business priorities.

Action Step 1.1: Develop a comprehensive inventory of rural assets and their economic value—a “rural balance sheet”—to complement existing reporting of income and employment.

Status: UT Agricultural Economics has developed a scorecard of 12 indicators for Tennessee agriculture that includes traditional farm production statistics such as the value of production and land, buildings and equipment. It also measures the economic impact of agriculture on rural communities. This includes measurements of outcomes, not just outputs, and includes direct and indirect impacts on the state’s total economy and employment, and agricultural, natural resources and human capital assets to better capture our state’s “capacity to produce.” The scorecard will more accurately depict Tennessee agriculture and forestry’s total economic impact and provide state leaders with more comprehensive information on which to base economic policy development and decision making.

Action 1.3: Increase agricultural/rural involvement with the Tennessee Chamber of Commerce. Establish agricultural committees within local chambers.

Status: Through the leadership of the TFBF, an agribusiness committee has been established within the Tennessee Chamber of Commerce and Industry to provide representation and advocacy for agricultural issues and rural development. This action serves as an example for local chambers to consider agriculture and forestry in their local planning, development activities and policies.

Action 1.4 and 1.5: Encourage farmers and agricultural professionals to be active members in local and state business organizations. Establish a communications strategy to inform policymakers on opportunities, regulatory barriers and other challenges to increase Tennessee agriculture and forestry’s capacity to produce which makes rural economic development a heightened state and local government priority.

Status: UTIA, with the support of industry partners, is leading in the development of a coordinated public outreach campaign to raise awareness of the importance of agriculture and forestry. The “Ag Awareness” project involves the creation of a speaker’s tool kit, including a multimedia presentation and related materials, directed at the non-farm public with a consistent theme and message for agricultural representatives to take to local audiences. The Farm and Forest Families of Tennessee have been engaged in providing feedback on the creative elements.

Action 1.7: Protect access to global markets by advocating for critical infrastructure including maintenance and upgrading of the river and rail systems.

Status: This year, TDA engaged local development officials and potential investors in a forum to explore the potential for developing an intermodal hub in East Tennessee to facilitate the transportation of regional commodities and goods to domestic and international markets. With the completion of basic infrastructure at deep-water Port of Cates Landing, the Northwest Tennessee Regional Port authority is actively marketing its services in providing direct international market access for the movement of regional commodities and products. TDA is working closely with the port authority to assist with development activities. The TFBF and TDA continue to advocate for federal policy priority and funding for the improvement and maintenance of the state’s river transportation infrastructure through the Mississippi River Commission and the U.S. Army Corps of Engineers. Important legislation passed in 2014 by the Tennessee General Assembly ensured funding for the continued maintenance of short line rails, which are critical to the movement of agricultural commodities within the state.

Action 1.8: Create a study committee to document challenges and recommend rural broadband solutions to the Commissioner of Agriculture that enhance data management and enable technological efficiencies.

Status: In October 2014, USDA announced $190.5 million in grants and loans to make broadband and other advanced communications infrastructure improvements in rural areas, including more than $31 million for the establishment of fiber networks and other system improvements to Tennessee telephone cooperatives.
RECOMMENDATION TWO:
Ensure a positive and predictable regulatory and policy environment for Tennessee agriculture and natural resources.

Action 2.2: The state should continue to facilitate and enhance regulatory partnerships among agencies, industry, research and extension toward an environment that facilitates agribusiness and enhances the competitiveness of rural Tennessee. Regulations must be science-based.

**Status:** TDA has established a position within the Consumer and Industry Services Division to facilitate and coordinate regulatory and marketing assistance for new food businesses and entrepreneurs. The department seeks to provide customer-friendly service and support for the state’s booming local food processing industry. UTIA has worked closely with TDEC on environmental research initiatives for Tennessee Agriculture.

Action 2.3: Streamline environmental permitting and potential siting of production/CAFO/processing facilities to target rural expansion and recruitment consistent with existing “megasite” industrial development except at a smart and appropriate scale to match rural assets such as the public/private development of Cates Landing in Lake County.

**Status:** TDA continues to meet with Tennessee Department of Environment and Conservation officials on a quarterly basis to better coordinate CAFO permitting activities and to explore streamlining opportunities.

“Accurate, broad based data will facilitate the adoption of policies that allow agriculture to continue as an economic engine for Tennessee. A science-based regulatory environment is critical to providing for future demand of agricultural resources.”

*Tennessee Farm Bureau President Lacy Upchurch*

Action 2.4: Create a study committee to document and communicate existing law and best available hydrologic information, and make actionable recommendations to the Commissioner of Agriculture that ensure agriculture’s priority use of water resources in Tennessee.

**Status:** UTIA in collaboration with TDA will be identifying water issues and needs throughout the state using UTIA’s three Regional Advisory Councils.

Action 2.6: Review marketing policies to identify barriers to “farm to table” production and processing, and encourage increased production of grapes and other locally sourced crops and enterprises.

**Status:** TDA is working with the Tennessee Viticulture Advisory Board and industry partners to recommend state policy to encourage the production of grapes and the development of the wine industry. Industry representatives are exploring options for creating a dedicated fund for the promotion of Tennessee’s burgeoning wine industry. Funded by TDA, a study is underway to identify opportunities for rebuilding and revitalizing the state’s fresh market tomato industry through cooperative marketing and promotional activities.
RECOMMENDATION THREE:
Expand marketing opportunities for Tennessee producers and encourage new production systems and agribusinesses.

**Action 3.1:** Refocus the Tennessee Agricultural Enhancement Program (TAEP)… Incentivize the repopulation of the beef herd.

**Status:** UT AgResearch, TDA and the Tennessee Farmers Cooperative have formed a partnership to establish a Tennessee Beef Heifer Development program. The program will develop model protocols for the economic management and production of replacement heifers. The five-year pilot project aims to help farmers diversify their operations and provide an alternative source of income through the production and sale of quality, healthy and well-managed heifers.

**Action 3.2:** Enhance market development activities within the Department of Agriculture and its partners that directly improve farm net income and cash receipts.

**Status:** TDA continues to actively recruit new agribusinesses and support expansion through the Agriculture and Forestry Economic Development Task Force. The department is currently encouraging the adoption and use of the Tennessee Wood Products brand by the forest industry to build domestic and international market identity for quality Tennessee wood products. TDA launched a new Pick Tennessee Products logo for improved consumer appeal and a new mobile app to promote specialty crops. A USDA survey released in 2014 showed that Tennessee is leading the nation in the growth of farmers markets. TDA is working to build on this momentum by coordinating with other agencies and organizations to promote farmers markets through healthier living initiatives. In October 2014, the department hosted a first-of-its-kind “farm to table” event to connect local chefs and restaurateurs with local producers and processors of food and artisan products.

**Action 3.3:** Stimulate rural enterprise innovation across the state. Continue and enhance public/private support of Memphis BioWorks Foundation and the UT Center for Profitable Agriculture (CPA). This collaborative effort leverages:

- The commercial leadership, business development capabilities and proven record within BioWorks.
- CPA’s well-documented expertise and leadership related to farm-based, value-added enterprise evaluations and development.
- Investments made by the Tennessee Department of Economic and Community Development (ECD) through their network of nine Regional Accelerators.
- Other statewide resources already in place such as UT AgResearch and other research programs.

The agricultural innovation strategy should address (1) early stage capital, (2) agricultural technology incubator network, and (3) entrepreneur development and business acceleration. The proposed initiative will enhance educational outreach and impacts, create rural jobs, new investment opportunities and leverage significant private sector investment.

**Status:** UTIA is involved in raising private funds to support efforts to commercialize Ag Research Technology. Two private companies have been formed around bio-based products. Several stakeholders, including Memphis BioWorks, collaborated on a detailed strategy to position Tennessee as the national leader in agricultural technology innovation. Plans under development focus on attracting, launching and growing startup companies that benefit rural Tennessee. Two separate private equity investment funds are already well underway.

“The Department of Agriculture is committed to leveraging public and private partnerships to support agriculture and energy, food, technology and transportation advancements. These investments are key to developing new supply chain markets for producers and land owners.”

*Commissioner Julius Johnson*
“There is strong demand in Tennessee and across the nation for graduates in agriculture and natural resources. Universities are placing a strong emphasis on modernizing curriculum options and providing experiential learning opportunities for students.”

UTIA Chancellor Larry Arrington

**RECOMMENDATION FOUR:**
Increase the scope and depth of a skilled and educated workforce through career, technical and higher education.

**Action 4.1:** Actively promote and endorse Governor Haslam’s “Drive to 55” initiative to enhance rural Tennessee’s economic outlook, and to ensure that agriculture and forestry have a technically trained workforce for tomorrow’s farms and forests.

**Status:** TDA is working with the state’s colleges and universities to actively support and encourage opportunities in rural areas to increase the number of Tennesseans with post-secondary degrees or credentials. At least two institutions, MTSU and UT Martin, have established 2+2 programs in partnership with community colleges to give students a head start on obtaining a four-year degree in agriculture. More than 50,000 students have applied for Governor Haslam’s Tennessee Promise to fund two years tuition-free education at a community college or technical school in Tennessee. The Tennessee Higher Education Commission is considering how to include certifications such as Master Beef Producer in the Drive to 55.

**Action 4.3:** Expand the number of youth participating in 4-H and FFA educational programs and improve event scheduling and coordination. Fund a West Tennessee 4-H Conference Center to increase participation and educational opportunity in that part of the state.

**Status:** The University of Tennessee has made the development of a West Tennessee youth development and conference center the top capital improvement funding priority.

**Action 4.4:** Increase support for CTE by re-establishing three full-time regional supervisory positions for secondary agricultural education programs in Tennessee.

**Status:** The Tennessee FFA Foundation, the Tennessee Association of Agriculture Educators and the Tennessee Farm Bureau Federation are actively working to make re-establishment of FFA regional supervisory positions a legislative priority.

**Action 4.6:** Review and revise the agricultural and natural resources curriculum in higher education to align with the contemporary needs of employers.

**Status:** UT is actively involved in program reviews to revise its curriculum in agriculture. Recent external reviews have included Animal Science, Biosystems Engineering and Soil Science, Comparative and Experimental Medicine, Ag Research and the Agricultural Policy Center.