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Rural Economic Development - An Evolving Approach

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Market Report	Yr Ago	4 Wks Ago	12/5/03
Livestock and Products, Average Prices for Week Ending			
Slaughter Steers, Ch. 204, 1100-1300 lb Omaha, cwt	$73.03	$105.66	$99.15
Feeder Steers, Med. Frame, 600-650 lb Dodge City, KS, cwt	84.31	102.82	102.30
Feeder Steers, Med. Frame 600-650 lb, Nebraska Auction Wght. Avg	91.82	108.45	108.05
Carcass Price, Ch. 1-3, 550-700 lb Cent. US, Equiv. Index Value, cwt	111.98	163.06	156.07
Hogs, US 1-2, 220-230 lb Sioux Falls, SD, cwt	33.00	35.50	36.00
Feeder Pigs, US 1-2, 40-45 lb Sioux Falls, SD, hd	27.50	*	*
Vacuum Packed Pork Loins, Wholesale, 13-19 lb, 1/4" Trim, Cent. US, cwt	84.60	90.20	88.89
Slaughter Lambs, Ch. & Pr., 115-125 lb Sioux Falls, SD, cwt	89.45	89.00	*
Carcass Lambs, Ch. & Pr., 1-4, 55-65 lb FOB Midwest, cwt	164.26	181.28	180.91
Crops, Cash Truck Prices for Date Shown			
Wheat, No. 1, H.W. Omaha, bu	3.98	3.63	3.75
Corn, No. 2, Yellow Omaha, bu	2.26	2.23	2.28
Soybeans, No. 1, Yellow Omaha, bu	5.48	7.30	7.39
Grain Sorghum, No. 2, Yellow Kansas City, cwt	4.57	4.42	4.52
Oats, No. 2, Heavy Minneapolis, MN , bu	2.12	1.62	1.57
Hay, First Day of Week Pile Prices			
Alfalfa, Sm. Square, RFV 150 or better Platte Valley, ton	150.00	130.00	130.00
Alfalfa, Lg. Round, Good Northeast Nebraska, ton	80.00	62.50	62.50
Prairie, Sm. Square, Good Northeast Nebraska, ton	117.50	*	*

* No market.

In rural economic development, the old way of doing business no longer works.

There used to be a time when all a community had to do was have an adequate infrastructure, a supply of low-cost labor, some tax incentives and a few empty spec buildings, and they could attract new businesses. Granted, there was still competition between communities to attract new businesses, but the components that communities had to work with were known commodities to both the potential firms and to the community.

That was then.... this is now.

Add technology, global competition and a renewed interest in environmental stewardship ... now businesses are looking for new "bargaining chips" to get their attention. At the same time, communities are rethinking who and what they should recruit.

Here are some examples of how the components for rural business recruitment have changed over the past decade.

Location

Old Strategy: Physical location (the need to be near natural resources, transportation and markets) enhances economic opportunities.

New Strategy: A quality environment and strong community capacity are highly sought after by business as assets for economic growth (technology has given firms more freedom from transportation and market factors).

Community Business Base

Old Strategy: Focus efforts on base industries that create jobs and stimulate local businesses.

New Strategy: Enhance business clusters that can identify economic benefits from doing business together.

Employment Resources

Old Strategy: More firms create more jobs, even if many are minimum wage.

New Strategy: Some firms require labor that is more specific - the increased skill level leads to quality jobs with higher wages.

Community Resources

Old Strategy: Single purpose organizations can enhance community opportunities.

New Strategy: Collaborative partnerships of many community groups are needed to help establish a broad foundation of assets that are desired by competitive industries.

In addition to the changes in the components of rural business recruitment, there have also been some major "push-pull" factor shifts. One of the most substantial is in location. For instance, location now has a different meaning as a traditional "pull" factor in development. It still is valued, but in a different way - looking more at quality vs. quantity as the driving force.

Today location applies more to the quality of both the local physical and social development than to larger-scale geographic considerations, as noted by authors Blakely and Bradshaw (2002).

> When a community concentrates on building the social and institutional network, it creates an inviting environment for a firm to develop or locate there. If the structure is organized properly, economic activity will ensue - it will not have to be pursued. (p. 68)

If there is a common thread in the new strategies it is one of quality. It could evolve to be the new calling card for rural recruitment.

If trends continue, business recruitment strategies that emphasis "quality" may manifest itself in specific ways: 1) with community/regional organizations working together in new and different ways; 2) in a increasingly skilled workforce with clear links to educational institutions; 3) through shared business interests within common business clusters; and 4) by packaging and marketing the community based on regional assets and not by geographic boundaries.

This will be a new way to do business!

References:

Blakely E. & Bradshaw, T. (2002). *Planning Local Economic Development: Theory and Practice*. (3rd ed.). Thousand Oaks, CA: Sage.

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