

# Growing Our Agricultural Economy

## Aspiration: A thriving agricultural and rural economy

Illinois has a unique opportunity to position itself as a national leader in agriculture and rural development. The new administration should ensure Illinois' agriculture industry and rural economy are thriving and that farmers and rural Illinoisans, who make up a large portion of the state, are not left out and left behind when it comes to policy decisions that affect them. There are rural and urban opportunities for growth in the food and agricultural economy, and efforts are underway to bridge and integrate those opportunities. The state should leverage existing resources and build upon current efforts.

In order to thrive as a state, Illinois must maintain its major footprint in agriculture, agribusiness, and food. The state should prioritize infrastructure improvements and invest in agriculture education. The new administration should be an advocate for Illinois' urban and rural communities, foster innovation across the state, and maintain a business climate that is friendly to farmers and the agriculture industry.

## Illinois today: An industry without a roadmap

Illinois' large economy was built on agriculture. Our state is first in the nation for soybean production, second for corn production,<sup>i</sup> and the food and fiber industry employs nearly one million Illinoisans.<sup>ii</sup> There are over 72,000 farms in Illinois, and farmland covers about 75 percent of the state's total land area.<sup>iii</sup> Marketing of Illinois' agricultural commodities generates more than \$19 billion annually, and Illinois' county fairs are engines that bring in more than \$170 million of economic activity annually.<sup>iv</sup> The food processing and manufacturing cluster in Illinois is the second largest in the nation by employment, and first in the nation in processed food sales.<sup>v</sup> Livestock farms generate billions in economic activity for Illinois, and Mexico and Canada are top markets for the state's commodities exports.<sup>vi</sup> Illinois has a central transportation network and logistical shipping advantages with an inland waterway system, highways, and rail. We have the ability to fill large purchases in bulk from small containers to trucks to any destination in the world.

Small businesses and educational institutions across the state are redefining the food and agricultural economy. There are 200 craft breweries in Illinois<sup>vii</sup>, and there are opportunities for new markets like hops farming and fermentation-related businesses. Additionally, Illinois has the ability to educate the next generation of farmers and agricultural workers. Colleges and universities are researching new technologies for producing fuel ethanol, and high schools are offering opportunities for students in urban and rural areas to study agriculture. There are agriculture educational programs that reach every county in Illinois.

Farmers in urban communities across the state are producing specialty crops, training low-income people of color on how to farm, making food more accessible, and developing green stormwater infrastructure. Illinoisans are creatively expanding agriculture and innovating around new crops. The legalization of hemp will allow local farmers to grow hemp and the state to compete for hemp acreage on a national scale.<sup>viii</sup> Illinois' colleges and universities are vital partners in innovation and research, with programs that research and plant alternative and new crops. Legalization of cannabis presents opportunities for producers in rural and urban

communities to expand what they grow.

Despite Illinois' great strengths, an absence of vision and agricultural leadership has left the state without a roadmap. The budget crisis caused cuts to the Illinois Department of Agriculture's operations, promotions, and export marketing<sup>ix</sup> and to agriculture education at colleges and universities across the state, negatively impacting the education programs that support students who want to enter the field of agriculture. County fairs are in desperate need of infrastructure upgrades for fairgrounds.

Additionally, the roads and port districts that farmers rely on to get their products from farm to market need to be upgraded, but Illinois has not had a major capital bill since 2009. An absence of widely available broadband prevents producers from fully utilizing agriculture technology, rural schools from providing optimal education, and the state from retaining businesses and employees outside of Chicago. Food insecurity threatens the health and wellbeing of Illinoisans, and the Trump Administration is waging trade wars that are hurting Illinois farmers.<sup>x</sup>

## Principles for agriculture projects

The new administration has an opportunity to advocate for one of the state's largest industries, educate the next generation of farmers, rebuild the state's infrastructure, innovate around agriculture and rural development, and provide regulatory functions that benefit the industry.

The Growing our Agricultural Economy Transition Committee offers key recommendations across five critical areas: marketing, agriculture education, infrastructure and rural development, innovation and market expansion, and taxes and regulations.

### Theme 1: Market and promote agriculture

The new administration should be a cheerleader for one of the state's leading industries. The state should better market and promote Illinois agricultural products and commodities and strengthen the agencies that represent the state's agriculture industry. Specific recommendations include:

#### Strengthen the Illinois Department of Agriculture

The new administration should fully fund the Illinois Department of Agriculture so that it can increase capacity, perform its duties, and develop a roadmap for agriculture and agribusiness goals.

#### Foster collaboration between IDOA and DCEO

The state should foster collaboration between the Illinois Department of Agriculture and the Illinois Department of Commerce & Economic Opportunity on projects that grow the agricultural economy. These agencies can work with existing agribusinesses across Illinois to leverage connections with up- and downstream vendors, suppliers, and customers. They can also utilize the 80 foreign trade offices in Chicago and lead trade missions to build international networks that encourage the purchase of Illinois agricultural products globally.

#### Advocate for the agriculture industry

The governor and IDOA should be stronger advocates to both the federal government and international networks to increase credibility for the agriculture industry at large. The state should promote the state's agribusinesses from a lens of the economic value that agriculture provides to the state and the opportunities Illinois offers for international business expansion.

The state should encourage new market creation for Illinois products and work with international offices to promote those products.

Near-term actions the state could consider include:

- Support the State of Illinois office in Washington, D.C. so that it can advocate for Illinois' agriculture industry and rural communities.
- Encourage DCEO to focus on traditional grain and livestock promotion as part of their initiatives and have a stronger recruitment role to grow the agriculture business environment in Illinois.
- Ensure strong state agricultural representation on federal commissions, such as the Governors' Biofuels Coalition, National Association of State Departments of Agriculture, and National Association of State Energy Officials.
- Create a Foreign Animal Disease task force so the state can proactively prepare for foreign animal diseases that could enter our state.

## Theme 2: Invest in agricultural education

The new administration should expand investments in agricultural education and incentivize Illinois students to work in agriculture. The new administration should redefine agriculture education as a critical area that encompasses food, agriculture, science, and leadership education. The state should incentivize and prepare educated young people to pursue careers in these areas and become the next generation of entrepreneurs, farmers, storeowners, and workers through the following recommendations:

### Create a job-ready workforce development strategy

Comprehensive labor is in demand across the state, and the new administration should set forth a job-ready workforce development strategy that covers undergraduate and graduate education, youth development, agriculture science, and leadership education.

### Advance vocational training in the 21<sup>st</sup> Century

The state should advance vocational training in the 21st Century by incentivizing new curriculums that are rooted in unique skills and trade certifications, such as computer sciences, auto mechanics, carpentry, and HVAC installation. These opportunities offer students an alternative path to college and viable, successful, good-paying careers. The state could encourage school districts to coordinate with local community colleges on vocational training programs.

### Expand the University of Illinois' Extension program

The state should leverage the University of Illinois' Extension program as a vehicle for strengthening rural economies across the state. The program can strategically balance rural and metropolitan needs, draw on traditional strengths, incentivize creative innovation and entrepreneurship, and align interests for positive collaborative impact.

### Increase opportunities for young farmers

Young farmers in rural and urban areas face challenges in getting capital to start a farm. The state should provide new opportunities, via programs or grants, for young farmers in traditional agricultural roles or in new urban ventures. The state could consider expanding existing programs and should fully enforce the new law that allows local governments to incentivize farmers in urban agriculture zones.

### Theme 3: Improve infrastructure and develop rural areas

The state should improve the infrastructure and rural economy upon which the state's agriculture industry relies. In order to ensure Illinois is setting up farmers and rural Illinoisans for success, the state should consider these recommendations:

#### Improve state infrastructure and expand broadband

The new administration should lead the effort to improve state infrastructure through a capital plan that takes into account the needs of state waterways, climate resiliency, and preventing the loss of farmland property value. The new administration could encourage the U.S. Army Corps of Engineers to upgrade lock and dam facilities on major waterways. The state should also improve farm-to-market infrastructure by upgrading rural roads and bridges that farmers rely on to move their products to market, and could work with rural drainage districts to improve field drainage and handle rural road flooding during harvest and planting periods.

Additionally, the state should find ways to expand broadband to rural residents across Illinois, prioritizing farmers, schools, and small businesses. The state should leverage existing broadband corridors and rural electric cooperative infrastructure and should consider ways to honor private property rights throughout the expansion process. The state could also convene a coalition of businesses, local governments, schools, and hospitals to determine upload and download speeds and identify gaps in access across the state.

#### Create a rural innovation fund

The new administration should partner with colleges and public universities to create an innovation fund that would allow Illinois' 62 non-metropolitan counties to develop, pilot, and test new interdisciplinary, targeted, and flexible models that could be scaled on a statewide level. The program should be multi-disciplinary and leverage government, organizational, and academic sectors.

### Theme 4: Promote a culture of innovation and expand markets

Illinois should leverage advances within and outside the existing agricultural and food ecosystem. In order to ensure the state is innovating around agriculture and rural development, it should consider these recommendations:

#### Ensure farmers are partners in the cannabis legalization process

As the state looks toward the legalization of cannabis, it should ensure Illinois farmers are a partner in the process. Initially, the state could lead an effort to compete for hemp acreage on a national scale. The new administration should prioritize the revision and approval of Illinois Industrial Hemp Rules so that farmers can confirm their spring planting intentions, register with IDOA, and purchase equipment. The new administration should also prioritize consumer safety while legalizing cannabis and scale up the current Illinois Medical Marijuana regulatory structure for recreational use.

#### Expand urban agriculture across the state

The state should expand urban agriculture across the state to address food deserts. It could establish a healthy food development program to expand access to healthy foods in eligible areas, eliminate food deserts, and create jobs and businesses in struggling areas of the state. It could also consider creating a program to assist new urban or rural farmers or farmers wishing to learn to grow another crop, especially food or medicine, in learning to do so while connecting and exposing them to new markets, capital, and technical assistance. The state should also implement the Food Safety Modernization Act (FSMA) in a way that ensures black and brown

communities are able to compete to provide safety compliance and should ensure Illinois takes advantage of U.S. Food and Drug Administration funding for FSMA.

#### Accelerate the development of new technologies and expand into new markets

The state should develop an integrated, statewide, public-private strategy to accelerate the development of new technologies, address consumer expectations, and expand into new markets. The state could establish a group, comprised of production groups, agribusinesses, and higher education institutions, to recommend a farm-to-market development plan that addresses the changing preferences of consumers. It could also consider creating a chemical and bioproduct production incentive program for new chemicals and processes based on Illinois agricultural products, like corn and soybeans.

Near-term actions the state could consider include:

- Charge IDOA with centralizing existing recommendations from stakeholders to determine best practices for the agricultural industry.

#### Theme 5: Maintain and improve taxes and regulations that support agriculture

The state should maintain fair taxation and provide regulatory functions that benefit farmers, consumers, and agricultural industries. The state should consider these recommendations:

##### Maintain fair and equitable property taxation for farmers

Farmers are economic drivers, and the state should create a supportive business climate for producers to maintain their competitiveness in the state. Specifically, the state should maintain the Illinois Farmland Assessment Act, protect sales tax incentives for agricultural inputs and equipment, and maintain a balanced process for siting livestock farms through the Livestock Management Facilities Act.

Near-Term Actions:

- The committee recommends that the new administration support a sales tax credit for ethanol fuel blends greater than 10 percent, but less than 50 percent, like E15.

## Conclusion: Guiding Illinois' agricultural economy toward success and modernization

The state should begin to redefine agriculture across education, new markets, and rural development. In order for the industry to thrive, the state should support agriculture innovation and better promote the industry as a whole. Key recommendations include:

- Market and promote Illinois' agricultural products and commodities and strengthen the agencies that represent the state's agriculture industry.
- Invest in agriculture education and incentivize Illinois students to work in agriculture.
- Improve the infrastructure and rural economy upon which the state's agriculture industry relies.
- Promote a culture of innovation and expand agricultural markets in the state.
- Maintain and improve taxes and regulations that support farmers and the agriculture industry.

If Illinois can strengthen and expand its number one industry, it can be a national leader and maintain its footprint in agriculture, agribusiness, and food.

---

<sup>i</sup> <https://wrex.com/category/2018/12/30/illinois-farmers-hope-for-trade-tensions-to-ease-in-2019/>

- 
- ii <https://www2.illinois.gov/sites/agr/About/Pages/Facts-About-Illinois-Agriculture.aspx>
- iii <https://www2.illinois.gov/sites/agr/About/Pages/Facts-About-Illinois-Agriculture.aspx>
- iv <https://www.sj-r.com/article/20150213/NEWS/150219757>
- v <https://www.industryweek.com/education-training/food-manufacturing-chicago-gets-boost>
- vi <https://www.sj-r.com/news/20181223/for-illinois-farmers-record-harvests---and-uncertainty>
- vii <https://www.brewersassociation.org/statistics/by-state/?state=IL>
- viii <https://www.chicagotribune.com/news/local/breaking/ct-met-hemp-legalized-in-illinois-20181226-story.html>
- ix <https://farmweeknow.com/story-state-budget-cuts-impact-ag-programs-3-166626>
- x <https://www.reuters.com/article/us-usa-trade-steel-agriculture/trade-war-backfire-steel-tariff-shrapnel-hits-u-s-farmers-idUSKBN1HK0GV>