

# AGRI-BUSINESS RETENTION AND EXPANSION

*Understanding the Potential of BR&E as applied to the Agricultural Sector*

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## THE CENTER FOR FARMLAND POLICY INNOVATION:

### *“Progress through Local Partnerships and Programming”*

*Established in 2006, the mission of The Ohio State University’s Center for Farmland Policy Innovation (CFFPI) is to enable Ohio local governments to achieve farmland protection priorities. The Center provides educational programming and partners with Ohio communities on innovative farmland policy projects. Our policy briefs are developed in conjunction with local government roundtable discussions, and are available with other resources on the CFFPI web site, <http://cffpi.osu.edu>. Please visit our web site to learn more about the Center and other opportunities we offer.*



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## WHAT IS BR&E?

BR&E (Business Retention and Expansion) is an economic development strategy focusing on the needs of existing businesses. There are several key reasons to maintain and support existing businesses: existing businesses create jobs within the community; they have the ability to draw new businesses to the area, and; they are the best source of information on the strengths and weaknesses of the local economy. A BR&E Program enables economic developers to define strengths and weaknesses of the local economy by a surveying existing businesses and workers. Armed with this database of information, economic developers and community leaders work together to prioritize, develop, and implement a policy agenda that best addresses the needs of local businesses.

## WHY UNDERTAKE A BR&E PROGRAM?

While many communities today have economic developers on staff, coordination and organization may be needed to help these individuals recognize and meet local economic needs. A local BR&E program is typically part of a broader economic development effort that en-

### ABOUT THE OHIO BUSINESS RETENTION AND EXPANSION INITIATIVE:

*Established in 1986, the mission of the OSU Extension Ohio Business Retention and Expansion Initiative is to serve as a resource for education, training, and research assistance to help communities identify and address opportunities and issues that directly or indirectly impact their regional and local economies. They provide the tools, training, and resources communities need to monitor and analyze their regional economies as they are today, and help them use this information as a basis for economic development action and planning. Please visit <http://localecon.osu.edu/BRnE/>.*

compasses the retention and expansion of existing enterprises, as well as the attraction of new businesses to a community. A BR&E program provides the data and knowledge that is vital to the self-sufficiency of a community's economy.

The successful implementation of a BR&E program enables a community to recognize several benefits:

- establishment of a more integrated approach to local economic development efforts;
- development of greater capacity to make decisions that affect their economy;
- improvement of quality of life; development of a pro-business message;
- improvement of community leaders' response to residents' concerns; and,
- the creation of a factual basis for community marketing and attraction of new businesses to the area.

## BASIC METHODOLOGY

Most BR&E survey programs share similar long-term goals, such as: to implement an action plan for the retention and expansion of existing businesses and the local workforce; to increase the competitiveness of local businesses, and; to better understand the composition and character of the local economy. An effective BR&E program relies on relevant business information collected via a variety of survey methods such as: face-to-face, internet, and mail-in. This information can be used to form a database that lets community leaders identify the strengths and weaknesses of the local economy and create action steps to promote strengths and address needs of local businesses and their employees.

To facilitate the collection of such information, nine basic steps are suggested to guide the BR&E process:

1. Form BR&E Task Force
2. Schedule & Hold Task Force Meeting
3. Announce Program
4. Distribute Questionnaires
5. Conduct Business Visits
6. Enter & Tabulate Response Data
7. Identify & Address Red Flags
8. Analyze & Report Response Data
9. Communicate Results

For more details on these steps, please visit <http://localecon.osu.edu> or see the *Ohio Business Retention and Expansion Handbook*.

## OPPORTUNITIES WITHIN THE AGRICULTURAL INDUSTRY

The agricultural industry provides several opportunities for the implementation of a BR&E program due to the diversity and complexity of agricultural production within the State of Ohio. Agriculture encompasses activities typically understood as agricultural production – harvesting and distribution of raw agricultural products – but also includes a much wider range of ag-related businesses, such as distributors, processors, advertisers, retailers, and farmers who directly produce for and supply to small, niche markets (such as market stands, organic foods, community supported agriculture (CSA) networks, agri-tourism operators and restaurant suppliers). An agricultural BR&E program can draw on any aspects important to the local community to help leaders better understand issues, concerns, and opportunities among all aspects of the agricultural economy.

Community questions that could be addressed via an agricultural BR&E program can include:

- How can we improve markets for local foods?
- What policies can we implement to support our producers?
- Do we have a shortage of agri-support businesses? If so, what are they?
- What types of processing facilities could be supported in our community?
- What are the infrastructure needs of our producers and agri-businesses?
- What are the demands of local consumers?
- What kind of job training do producers require?
- To what types of economic, political or social support networks do producers have access?

## SPECIFIC ISSUES RELATED TO THE AGRICULTURAL SECTOR

While formal BR&E programs have been widely used in rural communities for over 20 years, they have seldom been applied as an economic development and community development tool for *agriculture*. This is due, in part, to the fact that BR&E activities conducted by rural communities have focused on what was considered ‘traditional manufacturing’. Historically, economic development activities have not addressed agriculture since it has often been considered separate from manufacturing, rather than a vital form of industry in and of itself. However, a formal BR&E program designed specifically for the agricultural sector can provide such an opportunity.

The methodology used in conducting a formal BR&E may be a bit different as applied to agriculture because of the unique qualities of the agricultural industry. Foremost, agriculture is a

land-based industry. The industry relies on the production of a variety of raw products which are produced by individual farms and farm families. Raw materials may or may not have local, regional, or even Ohio processing locations. Local market access may be difficult to achieve. Necessary inputs are not always readily accessible which can lead to higher prices for producers. In addition, the succession or transfer of ownership of agricultural operations poses its own issues for business retention and expansion.

#### AG BR&E IN PRACTICE

*A recent agricultural BR&E effort in Ohio involved development officials and agricultural stakeholders in Wayne County. This group identified issues and concerns through two separate survey efforts, one focusing on agricultural producers and another targeting ag-related suppliers. One key outcome of these efforts: a position was created within the county's economic development office to focus exclusively on ag-related economic development efforts.*

In light of these differences, local leaders should take into account a number of considerations. For instance, the composition of a formal Agricultural BR&E program advisory group should include both economic developers and those working in and familiar with Ohio agriculture. Furthermore, because the agricultural economy is comprised of a number of sub-sectors, local leaders should focus efforts on one or more specific aspects of the commodity change (ie, producers, agri-support businesses, value-added, processing, consumers). Issues and concerns identified via the BR&E program will most likely require a different response or action strategy by local leaders, given that the policy needs of manufacturing and the agricultural sector can be dissimilar.

#### WHAT CAN OSU DO?

Ohio State University Extension has been involved in BR&E since 1986. More than 140 community-based BR&E projects have been completed in 77 of Ohio's 88 counties since that time. OSU's Ohio Business Retention and Expansion Initiative is designed to assist communities in the process of developing a BR&E program. Each local program conducted through the Initiative works with BR&E representatives who are available as a source of guidance throughout the program. BR&E representatives also provide information and training to the Committee/Task Force. In addition, resources and materials used in conducting a BR&E program such as questionnaires, forms, report templates, workshop registration and information, and useful links are available online to all members of the Ohio BR&E Initiative at <http://localecon.osu.edu> (phone: 614.292.6356; email: [davis.1081@osu.edu](mailto:davis.1081@osu.edu)).

*For additional resources, please visit:*

The Future of Agriculture in our Community  
Penn State Cooperative Extension  
<http://cax.aers.psu.edu/futureofag/>

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