

# 2021 POLICY GUIDES

## Rural Economic Development

### Issue

What is the future of rural communities in Nebraska? What would happen if more jobs were located in rural areas?

While the 2020 Census numbers are not official at the time of this guide's publication, it is estimated that Nebraska's population will be 1.93 million with 660,417 living in the state's rural areas, roughly one-third of the state's population.

For years Nebraska, like other states, has focused economic development incentives on attracting business, companies and manufacturing plants to locate or expand their operations in Nebraska. While incentives are available for small to large businesses statewide, many of the businesses that have taken advantage of these incentives chose to locate in more urban centers of the state.

Rural development is the process of improving the quality of life and economic well-being of people living in rural areas. Farming and ranching continue to be the fabric of rural societies. However, recent trends indicate tourism, niche manufacturers, recreation and remote work from home opportunities are growing prospects for rural economic development.

### BACKGROUND

The ImagiNE Act, passed in 2020, includes increased opportunities for businesses located in rural areas. Specific activities added to the ImagiNE Act are post-harvest crop activities and rural manufacturing. These programs are designed to increase services performed on crops with the intent of preparing them for market or further processing. These activities could include crop cleaning, drying, shelling, fumigating, curing, sorting, grading, packing and cooling. They may also include transforming livestock and agricultural products into products for intermediate or final consumption, which could include livestock slaughtering and processing, grain and oilseed milling, dairy product manufacturing, animal feed manufacturing (pet and livestock), and producing ethanol or biodiesel.

Several other programs exist that target livestock production, including the Nebraska Advantage Microenterprise Act, the Nebraska Advantage Rural Development Act and the Livestock Modernization Act.

### FARM BUREAU POLICY

**RURAL ECONOMIC DEVELOPMENT (2021).** We believe greater emphasis should be placed on developing a public/private partnership for implementing a long-term strategy for rural economic development. Such strategy should give strong consideration to using agriculture as a foundation for rural growth and opportunity. We support the Nebraska College of Technical Agriculture's 100 Beef Cow, Heifer Link and Dairy Programs, and the development of other agriculture entrepreneurial programs to help produce the next

generation of Nebraska farmers and ranchers. We support programs to assist in the transfer of main street businesses from older to younger generations in rural Nebraska. Farm Bureau supports a policy to encourage legislation and economic development incentives for meaningful and supportive economic development programs to encourage and promote the creation and expansion of entrepreneurialism, microbusiness, and agriculture-related enterprises and diversification in Nebraska in an effort to reverse population loss in rural areas.

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## QUESTIONS

1. Should Nebraska offer more incentives to attract businesses to locate in rural areas?
2. Are there ways to improve economic incentives to target farmers and ranchers to expand their existing operations?
3. If Nebraska were to offer incentives, should they be geared toward employees, employers, level of investment or all of the above?
4. What kinds of incentives should be offered? Money? Housing? Relocation costs? Tax breaks?
5. Is rural Nebraska ready to attract additional economic activity or are there significant obstacles such as lack of broadband, housing and other infrastructure needs that must be addressed first?
6. Is there an opportunity to attract remote workers, sometimes known as tele-commuting or working from home, to our rural communities?
7. What are the benefits of rural areas having more economic activity?
8. What might be some of the potential downsides of increased economic activities?