

Abstract – The Ag Innovation Triangle

Minnesota's Ag Innovation Triangle (*The Triangle*) encompasses all or portions of 36 contiguous counties in Southwest, West Central, and South Central Minnesota. This landscape has two defining industries, agriculture and supporting manufacturing – both foundational industries of the American economy – both simultaneously challenged to adapt and transform from traditional resource and industrial-based economic models to a more knowledge-based economy. *The Triangle*, rooted in two legacies of agricultural stewardship and entrepreneurship, has been seeking new ways to contribute to the growth of the region and the competitiveness of the country. Critical emerging industries based in bioscience and renewable energy are revitalizing the inherent know-how and spirit of entrepreneurship embedded in the cultural heritage and workforce of this region.

The Triangle includes 24,236 square miles and is home to 33,470 family farms; 715 agriculture-based businesses and 1,232 manufacturing firms that share related and supporting infrastructure. This is identified as a regional economy because *The Triangle* is home to 85% of the renewable energy projects/activities taking place in the state, fourteen of the seventeen ethanol plants, three of the state's four bio-diesel plants and fifty-three of the approximately sixty wind farms in the state. A momentum based on a critical mass of industry, natural resources and leadership holds the potential for global competitiveness but lacks the conditions to complete the necessary transformation to a new knowledge and innovation-based economy due to a shortage of skilled workers.

With all of these assets, the real strength of a region's competitiveness resides in its capacity for place-based innovation. Demographic shifts taking place in workforce composition across rural America are true for *The Triangle* as well: a generation of brain-drain is already underway and new arrivals are most likely an undereducated labor force of immigrants, with the

number of minorities nearly tripled in the region over the last decade. The ability to reverse the trend of high school and college graduates moving to the Twin Cities from *The Triangle* is directly related to our ability to transform the economic landscape from low skilled, low wage jobs to high skilled, high wage opportunities. Income in the region is below the state average. For example, the median wage in *The Triangle* is only seventy-five percent of the comparable rate in the Twin Cities – nearly a \$5 per hour difference, with gaps more pronounced for higher skilled occupations.

Educational attainment is significantly lower in *The Triangle* than the rest of the state. Conditions for *The Triangle's* successful transformation rest in the development of our human capital by building our **Regional Leadership and Identity**, through **Talent Development**, **Breakthrough Research**, and **Entrepreneurship and Business Growth**. These four interdependent components will be the basis for **Action Teams** that will lead our collaborative and visionary leadership strategies. An **Executive Leadership Board** has been identified based on strategic partnerships that have the expertise and assets to drive this regional transformation. The Board will identify and assign the Action Team members responsible for each action item identified as critical to the ongoing transformation of the region into a vibrant self-sustaining economy. The strategic partnerships mobilized by this initiative are transcending the geo-political boundaries necessary to become an internationally competitive regional economy.

The mission of *The Triangle Initiative* is to boost innovation and cultivate new technologies in order to achieve a competitive advantage through business and talent development. The WIRED Initiative is critical to moving these strategies for transformation forward. *The Ag Innovation Triangle Initiative* requests consideration of this \$5 million proposal. Minnesota's goal, as reiterated by Governor Pawlenty, is to position itself as a leader in renewable energy and biosciences and is dependent on the Ag Innovation Triangle's ability to deliver regional economic transformation. Executive Team Partners who have committed to the success of the Ag Innovation Triangle

Initiative include:

- The Southwest Minnesota Workforce Council, Central Minnesota Workforce Investment Board, Northwest Minnesota Workforce Investment Board, Rural Minnesota Concentrated Employment Program Workforce Council, South Central Workforce Council and Southeast Minnesota Workforce Council
- Minnesota Department of Employment and Economic Development
- Adult Basic Education
- Agriculture Utilization Research Institute
- Energy Consortium
- Fagen Industries, Inc.
- Minnesota Precision Manufacturer's Association
- Minnesota State Colleges and Universities; Minnesota State University, Mankato, Minnesota West Community and Technical College
- Prairie Holdings Group
- Poet, LLC
- Southern Minnesota Economic Development Professionals
- Southwest/West Central Cooperative (Education)
- Southwest Minnesota Initiative Foundation, West Central Initiative Foundation, Southern Minnesota Initiative Foundation
- Southwest Regional Development Commission
- University of Minnesota