Rural health problems may hinder development

If health problems continue to plague rural areas, they will interfere with rural development, according to testimony presented by Dr. Sam M. Cordes to the Joint Economic Committee in May.

Cordes, associate professor of agricultural economics at Pennsylvania State University and immediate past president of the American Rural Health Association, was invited in May by the Congressional committee to testify on rural health and rural development.

In his testimony, Cordes pointed out the close relationship between rural health and rural development. Poor rural health hinders rural development in several ways, he said.

Cordes detailed the following four relationships between rural health and rural development:

* Areas with satisfactory health care are more likely to attract and retain job-inducing businesses and industries.

* The cash and short-term investments held by hospitals, clinics and other health-related institutions provide a substantial source of funds for rural areas.

* Rural health problems are a significant barrier to labor force participation in rural areas.

* The health industry can be a large employer in a rural area, with major direct and indirect impacts.

Cordes cited the precarious position of rural hospitals and the lack of physicians as particularly crucial health care issues facing rural America.

Many rural hospitals are under serious financial pressure, according to Cordes. Recent figures show that expenses exceed revenues by 7 percent among hospitals with fewer than 25 beds—82 percent of which are in rural areas. Large lay-offs of rural hospital employees are widespread, and wholesale hospital closures may be at hand.

The lack of doctors in rural areas is also a critical problem, Cordes said. He (Continued on page 5)

Leadership program offered to rural women

A group of women in North Carolina will be the first participants in a new extension program for leadership development of rural minority women.

Black and Indian women ages 20 through 40 who live in rural areas and come from a cross section of educational and family backgrounds will be included in the program, according to Dr. Brenda Foster Allen, program director.

The purpose of the program is to help participants improve their leadership abilities. At the end of the three-year program, each woman should be qualified to assume leadership roles in her community, according to Dr. Allen.

Participants will study leadership as it relates to individual personality, family, community and public policy.

A variety of learning experiences will be offered, including leadership seminars. The leadership development program is being funded with grants from the Z. Smith Reynolds and R. J. Reynolds foundations.
CAPSULES is published periodicaly by the Southern Rural Development Center as a service to its sponsors: U.S. Department of Agriculture researchers, local officials and private citizens interested in improving the quality of life in small communities and rural areas of the South.

The Southern Rural Development Center is one of four regional rural development programs, including information on budget planning and funding sources; Particiaption procedures; Supervisory skills; Legislative updates and information; How to comply with new legislation; Personnel management, including recruitment, training and evaluation; Information on the interrelationships between local government decisions and economic development; and Orientation for newly elected officials.

With respect to program format, officials prefer programs that focus sharply on specific, relevant topics and that bring together individuals with the same responsibilities. Officials also want programs offered close to the homes of participants. Program information should be presented orally. Administrators of community agencies provide stacks of printed information to officials, but the officials do not have time to read the materials. Local officials prefer discussions that allow for questions and answers among each other and with the presenters.

Based upon evaluation data, CIES program participants consistently expressed a strong need for programs that allocate 50-60 percent of program time to presentation of the questions and answers, 10-15 percent of time for breaks, and the remainder of the time to other administrative details.

Participants in the CIES programs are enthusiastic. "We need these programs," says Maralee Overcash, Town Manager of Canton, Illinois. "They give smaller towns a chance to get educated.

(Condensed from a story entitled "When Local Officials Need Information," by Richard Buhr and Harvey J. Schuetz, appearing in Extension Review, Winter 1985.)
Survey focuses on characteristics of ex-farmers

These are tough times for farmers, and many are finding themselves forced to quit. To determine how many farmers quit agriculture in the past several years for economic reasons, a Development Division in cooperation with the University of Missouri conducted a survey in a U.S. farm belt county. The major objectives of the study were to determine the personal and farming characteristics of former farmers and to assess the consequences of their departure from agriculture.

The study was conducted by Judith and William Hefferman of the Department of Rural Sociology at the University of Missouri. A county in north central Missouri was selected as the focus of the survey. The county was chosen because it was one of the 17 counties in Missouri which combined to produce 80 percent of Missouri's agricultural products and because it was over 50 miles from a metropolitan area, a distance typically considered to be the upper range for commuting to off-farm jobs.

Following are some of the conclusions resulting from the study:

* In at least 44 of the 46 families interviewed, the major reason for getting out of farming was financial. Although those interviewed were not directly asked if they had been foreclosed, many volunteered that they had been forced to liquidate by a lender. Others said they lost their land because they still had something left. Most of them spoke of continually losing money since 1972.

* About three-fourths of the families started farming after 1965, and one-half started farming in the 1970s or 1980s.

* Nearly three-fifths began farming by renting all of their land.

* The median size of farming operation when the farm was the largest was about 500 acres.

* During the years when the farm was the largest, the median gross farm sales were about $65,000. The median gross income the last year they farmed was about $50,000.

* Even when the farm was the largest, one-third of the men and one-half of the women earned non-farm incomes. During the last year of farming, 60 percent of the men and 57 percent of the women had non-farm jobs.

* Over half reported they continued to live in the same residence after quitting farming. Three-fifths were reasonably sure they would stay in their communities.

* Relative to January 1980, 45 percent felt their financial condition today to be "much worse" and 10 percent said "worse." Twenty-eight percent said their financial condition today is better.

* Forty percent said the quality of life is better today than it was in January 1980.

It's an idea...

* The city of Toppenish, Washington, (6,100) police department is leasing its vehicles and making out like a bandit. Before vehicles had to be bought, the department had city-owned vehicles that were ill-equipped and not uniform, and it had no facilities or personnel to handle maintenance and repair. Under the leasing arrangement, the bank guarantees a residual value for leased vehicles at the end of the lease period. Toppenish also has an agreement with the bank that provides that the city may sell the vehicles, if auction at the end of the lease. Thanks to a closely supervised maintenance program at the end of the lease period, the vehicles looked as fresh as the day they were received. The department purchased one of the vehicles for a city-owned vehicle and auctioned the remaining vehicles for amounts above the guaranteed residual. The city now has patrol vehicles in better mechanical condition for a lower cost, and funds are spent over a 12-month period rather than in a single lump sum.

State programs provide loans for beginning farmers

Fewer potential young farmers choose agriculture for their livelihood today, largely due to the aging farm economy. Faced with a tight money supply and high interest rates, many potential full-time farmers have found it difficult to obtain favorable loans. As a result, the agricultural industry has experienced a large decline in the number of young farmers.

Many states have responded with programs designed to help young persons get started in farming.

The largest of these programs is in Illinois. The Illinois Farm Development Authority (IFDA) issues federally tax-exempt industrial development bonds and loans the proceeds to beginning farmers for the purchase of real property, equipment, and machinery. Since the IFDA program began in 1981, it has loaned over $75 million in over 1,300 loans. The average age of recipients of IFDA loans is 28.

The Illinois program funds itself through a 1/2 percent closing fee on each loan. The current interest rate on the loans is about 6 3/4 percent, which compares favorably to the 13-15 percent charged on conventional loans.

Twenty-five states have similar agricultural loan programs.

For information on the Illinois program, contact Ron Bailey at (217) 782-5792.

Health . . . (Continued from page 1) termed a fallacy the notion that physi- cians are diffusing into rural areas. Nationally, 37 percent of nonmetropolitan counties did not experience an increase in their physician-to-population ration during the 1970s. The nonmetro counties that did get physicians were generally close to metro areas or areas with major attractions such as universities, national parks, resorts or state capitals.

Since such strong linkages exist between rural development and the quality of rural health services, rural health should be a major target in policy development, Cordes concluded.
In Print

A Citizen's Handbook on Groundwater Protection contains information about groundwater, its contamination, and the regulations and methods being used or considered. The handbook, intended for local government officials and citizens, is available for $7.50 from the National Groundwater Association, 122 E. 42nd St., 45th Floor, New York, NY 10168.

The Employment/Economic Development Connection: New Tools, New Roles, New Directions-A Guidebook is designed to help policy-makers understand the latest developments, and to identify new ways of solving employment and economic development problems by forging public-private sector linkages. The guidebook focuses on full employment and economic development activities. The guidebook is directed to practitioners at both the policy and operational levels. They will find step-by-step suggestions for developing and implementing a linkage strategy, illustrated by brief case studies showing how different communities have used the strategy-to deal with plant closings, to link employment to downtown development, to attract industrial development, to develop economic development partnerships, and so on. The guidebook is available for $15 from NAB Clearinghouse, 1015 15th St., N.W., Washington, D.C. 20005.


Financing Rural Roads and Bridges presents the results of a study of the financing of rural township road systems in the four Midwest and Pacific Northwest states of Illinois, Minnesota, Ohio and Wisconsin. The study was conducted by L. Chilcolmbe of the University of Illinois and David R. Bacon of the National Cooperative Highway Research Program. Available from the Office of Transportation, USDA, 1405 Auditor's Building, Madison, Wisconsin 53706.

Fundamentals of Urban Design, by Richard Hadam, explains the fundamental components of urban design context and contrast, human action, spatial definition, beautification, urban form, building form, and design review. With over 100 photographs, the book is intended for architects, planners, city managers and other public administrators. Available for $28.95 for the 1978 edition, 1313 E. 60th St., Chicago, IL 60637.

Great Downtown Events: How to Build Crowds and Boost Business describes examples and explains how to use events to attract downtown visitors. From sidewalk sales and block parties to festivals and new construction celebrations, the book provides how-to information on staging a variety of programs. For a copy send $39.50 plus $3.50 postage and handling to the Downtown Research and Development Center, 1134 Broadway, Suite 1407, New York, N.Y. 10010.

Guide to Innovation Resources and Planning for the Smaller Businesses identifies a wide range of resources (federal, state and private) available to assist the smaller business in areas such as financing, information gathering and management. The capabilities of these resources are summarized and telephone numbers and addresses are given. Intended for small events conducted as well as state and local government economic development administrators. The book is available from Oklahoma Extension Technology Transfer Center, 1515 W. Main, P.O. Box 1214, Durant, OK 74702-1713, (405) 920-0132.

The Historic Preservation Yearbook, 1984-1985: A Documentary Record of Significant Policy Development and Issues, edited by Russell W. Keune, contains an exhaustive compilation of useful material from a wide variety of sources. The book includes contributions from an array of preservation organizations ranging from the National Trust for Historic Preservation to the Utah Heritage Foundation. Beginning with the texts of the major federal and state legislation, the book then presents sections on local and state government initiatives, preservation policy formulation, preservation and restoration finance techniques and other current issues. Available for $78 plus $3.50 postage and handling from The University of Oklahoma Press, 207 Boyd, Oklahoma City, OK 73108.

Huntington Market: A 36-page guide to getting hometown development started, it explains cultivating jobs, recruiting business and raising $10,000 or more. Available for $3 from NARAL, Dept. E, 1522 K St., N.W., Suite 730, Washington, D.C. 20005.

Land Use Issues of the 1980s is a collection of nearly two dozen essays-all previously published-on the problem of land use. Edited by James H. Carr and Edward D. Bums, the book is available from the Land Use Policy Research, Rutgers University, Blg. 4051, Klineer Campus, New Brunswick, N.J. 08901.

Managing Development in Small Towns, by David J. Phillips describes the tools and techniques that can be used to manage growth in rural areas. The book shows how to select the right tools for a particular area and how to put together an appropriate development management system. Available for $19.95 from Planners Bookstore, 1313 E. 60th St., Chicago, IL 60637.

A Planner's Guide to Land Use Law explores the growing area of comprehensive land use planning and its relationship to the law. The book includes a glossary of terms and a directory of model building codes. Available for $39.95 from Planners Bookstore, 1313 E. 60th St., Chicago, IL 60637.

Planning a Community Center, by Stuart H. Huntington, presents guidelines for organizing a community center that includes how to attract extensive citizen participation, maintain the facility and keep costs to a minimum. Available for $1.40 from Publications Distribution, Iowa State University, Ames, IA 50011.

Rural Governments—Raising Revenues and Controlling the Pressure, by Richard J. Reeder of the USDA Economic Research Service, looks at locally raised general revenues as a percentage of local income. The report assesses the fiscal pressures faced by local governments in their efforts to raise revenues, identifying those nonmetro areas most affected by such pressures.


USDA Services for Rural Handicapped Persons is a new extension publication prepared to assist staff in the use of services in making USDA services and programs more readily available to the rural handicapped. For a copy of the publication have been mailed to State Directors and 1890 Administrators. Bulk copies are available by contacting your state extension for distribution to the counties.

Venture Capital and Small Business Financings, by Robert J. Haft, is a practical guide to business financings. This comprehensive volume presents the available financing formats; expert guidance to meet the needs of the investor and the business; SEC, SBA and all relevant federal and state securities law; time-saving forms and documents; and updated rules, requirements and case law. Available for $85 from Clark Boardman Co., Ltd., 435 Hudson St., New York, NY 10014.

On Schedule

SOUTHERN RURAL SOCIOLOGICAL ASSOCIATION ANNUAL MEETING, Feb. 2-5, Orlando, Fla. The theme is "Agriculture: Impacting Whom?" For information contact E. Yvonne Beauford, Southern Rural Sociological Assocation, 3200 N. Valley State College, Fort Valley, GA 31030; (912) 825-6466 or 825-4474.

THIRD ANNUAL SOUTHERN FAMILY: CHANGING PERCEPTIONS ON CHILD Rearing, May 17-18, Athens, Ga. To be co-sponsored by the University of Georgia College of Family Economics and Consumer Sciences for Continuing Education. Contact Ellen Maupin, The Southern Family, Georgia Center for Continuing Education, U of Georgia, Athens, GA, 30602.

States move to fill the gap in farm aid programs

States are moving to fill the gap in farm aid left by the federal government, according to the Council of State Policy and Planning Agencies. As of October 1985, 22 emergency farm financial aid programs were implemented in 12 states, the report said, which represents state agriculture officials. Missouri was pointed to nearly 20,000 farm loans through interest rate buy-downs, loan guarantees and state treasury buy-backs. Loans were also used as low-cost farm loans.

Other states represent significant state inroads to an arena traditionally dominated by the federal government. A new loan program in New York, however, not all of the existing programs have been successful.

"Some fell far below expectations, allocating only a small part of their authorized funds," the report revealed. "Others have moved far greater dollar amounts, but with questionable efficiency."
The most common problem, the group suggested, was lack of targeting.

The report recommended new targets for the 1986 farm aid program.

Center to promote agricultural, rural development

Job creation and agricultural development for rural communities will be the focus of a newly established Center for Agricultural and Rural Development. The goal of the center, created by the Council of State Governments (CSG), will be to bridge the gap between state policymakers and rural and agricultural development researchers.

Assessing the research done by others, stimulating new research in areas of concern to state policymakers and presenting policy options to states based on that research will be the center's approach.

"It is more effective for policymakers to arm themselves with research and data than to be on the defensive," said Judd Hackett, the center's director.

The center will also be guided by a policy steering committee and a program planning advisory committee.

A regional planning and a national policy summit are planned to bring together federal, local, private, state, agricultural and rural resource officials.

Several publications are in the development stages. For example, issues briefs analyzing state policy options will be distributed to state policymakers in addition to a monthly news bulletin. A program directory will catalogue the types of rural and agricultural development programs in each state as well as their funding and status.

Another center goal is the establishment of a clearinghouse for responding to phone queries, providing information packets, loaning documents and referring state officials to others with similar problems.

More information, contact Hackett at the CSG Center for Agriculture and Rural Development, P. O. Box 11910, Lexington, KY 40578, (606) 252-2291.

CAPSULES is published periodically by the Southern Rural Development Center as an information service for educators, researchers, local officials and private citizens interested in improving the quality of life in the small communities and rural areas of the South.

The Southern Rural Development Center is one of four regional rural development centers that focus on specific areas of the nation and are located at Mississippi State University and provide support staff to the extension services and experiment stations of 29 land-grant universities in 13 Southern states, Puerto Rico and the Virgin Islands.

Dr. N. Doss Brodax.........., Director

Jane Rendelro............., Editor

Sandy Markley........., Editorial Assistant

Tennessee survey identifies local problems

If the opinions of local leaders are reliable indicators of their communities' needs, then a recent survey is revealing about Tennessee communities. The Tennessee Extension aimed to identify local problems and accommodate them to help county Extension staff determine new resource development programs.

Researchers to seek farm economy, suicide link

Researchers in Minnesota have planned a study to determine whether there is a link between the slumping farm economy and the suicide rate.

The study will be the first large-scale research program in the nation to examine the farm suicide rate and identify what factors may be involved, said Paul Gunderson, statistics chief at the Minnesota Department of Health and a director of the study.

Results of the investigation could be available as early as fall, according to Gunderson.

"We will provide the people in the Extension Service and the mental health system who are in the front line of intervention," he said.

The study will evaluate farm suicides in Minnesota, Iowa, Montana, North Dakota, South Dakota and Wisconsin. Researchers will determine whether the suicide rates between 1980 and 1985 were farm suicides.

Researchers will also explore the conditions and resources in the centers to determine whether other factors such as a disabling injury, the death of a spouse, alcohol abuse, bankruptcy or a combination of factors were present.

Southern farmland values compared for 1984, 1985

Following is a state-by-state list of average per-acre values of farmland and buildings in the Southern states for 1984 and 1985:

<table>
<thead>
<tr>
<th>State</th>
<th>1984 Value</th>
<th>1985 Value</th>
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<tr>
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<td>$809</td>
<td>$769</td>
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<td>Arkansas</td>
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<td>$849</td>
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<td>Florida</td>
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<td>$1527</td>
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<td>$865</td>
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<td>$906</td>
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<td>Mississippi</td>
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<tr>
<td>North Carolina</td>
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<tr>
<td>Oklahoma</td>
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<tr>
<td>South Carolina</td>
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<tr>
<td>Virginia</td>
<td>$1114</td>
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</tbody>
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Specialties... (Continued from page 1)

prisons, health centers and state universities means that shifts in governmental spending priorities will affect these counties.

FEDERAL LANDS: Federal lands dominate in 297 nonmetropolitan counties. Their populations have grown more rapidly than most other counties, all but one of which have suffered net out-migration. Federal ownership in these areas constrains the type and level of economic development because much of the land is available for only limited private use.

POVERTY: Persistent poverty continues to plague 242 nonmetropolitan counties. These counties have high proportions of people with disabilities and low education levels, as well as households headed by females. Minorities tend to be heavily represented in their populations.

The implication of these specifications, according to Bender, is that one group of counties will react differently to a particular policy, and that one policy is inappropriate for all counties.

A mix of policy initiatives for rural development seems appropriate," he said.


State and federal bank regulators are increasingly lifting restrictions on where banks operate, what products and services they offer, when they conduct deposits and who they can lend to. To assess the implications of banking deregulation on rural development, the National Association of Towns and Townships (NATT) recently conducted a policy seminar entitled "Will Rural Economies Harvest Big Banks?"

The five seminar speakers presented a variety of perspectives.

Several speakers argued that deregulation would produce bountiful economic growth in rural communities, while others argued that it would hurt rural areas.

Janice Booker of the Office of the Comptroller of the Currency presented the history of banking deregulation, noting how the economic turmoil, inflation and record-high interest rates of the 1970s provided the impetus for deregulation.

Booker pointed out that the banking industry continues to be regulated in many ways, but ongoing deregulation concerns three elements of the financial services industry - interest rates, products and geographical areas.

"Interest rate deregulation is nearly complete," Booker said, as interest rates are now determined largely by market forces. "Product deregulation defines which financial services banks can offer. Nonbank banks such as Sears, for example, have developed financial service centers offering insurance, real estate and securities products. Banks are increasingly being offered by many of these services. Congress is assessing which financial services should be offered by which financial institutions."

Geographic deregulation determines where banks can do business. National banks, for example, "can't branch outside their home states."

"Today, though, there are many ways banking services are delivered on an interstate basis," she said. "In recent years, restrictions on interstate deposit-taking facilities has been lifted."

Booker said.

"Booker summed up her position by saying that banks should not be restricted to operation within certain geographic boundaries. Geographic deregulation, according to Booker, will strengthen the banking system, increase competition and offer increased services to rural residents."

Kenneth Lee of the American Bank Association (ABA) called for continued product and geographic deregulation.

"We generally oppose allowing outside state holding companies to buy individual banks," Corwin said.

According to Corwin, community banks are more dedicated than their larger counterparts to the areas in which they do business. He cited a survey which revealed that "small businesses believe that they get better treatment, lower-cost loans and quicker and more fair decisions" on loans from small banks.

Deborah Markley, assistant professor of agricultural economics and rural sociology at the University of Tennessee at Knoxville, suggested that no single type of institution is ideal for all rural areas.

"We should not expect one diversity of structure in the banking industry to best serve rural areas," Markley said.

Markley presented the results of her research, which compared small independent banks to banks affiliated with large holding companies. Each had advantages and disadvantages.

She found that independent banks made a higher proportion of agricultural loans and were more aware of the unique seasonal (Continued on page 8)
In Print

1985 Agricultural Chartbook consists of 278 charts on topics such as the farm, population and rural development, the economy, Food and nutrition programs, U.S. trade and aid, land production, and commodity trends. Available for $3.50 from the Benefit Office, Washington, D.C. 20202, (202) 783-3238. Specify GPO 001-019-00482-2.

Fundamentals of Business, by Dr. Dennis U. Fisher, is an instructor's guide for providing business management training for operators of small independently owned farms. The programs included in the manual were developed by local extension specialists, although they can be used in any size town. Published in a three-ring notebook format, this handbook allows for the development of customized workshops that can be conducted with retail merchants in smaller communities. It provides teaching outlines, overheads, handout materials, lecture notes, resource lists, slide sets and discussion materials for 10 topics essential to good business management. Topics include customer relations, developing a business plan, forecasting profits and cash flow, time management, visual merchandising, computer use in business, financing a business, analyzing a market, personnel management and starting a new business. The manual can be purchased with or without the slide sets. The price of both the manual and the slide sets is $40. The price of the manual alone is $20. Available from the Southern Rural Development Center, Box 5400, Mississippi State, MS 39762-5400.

A Reference Handbook on Small-Scale Wastewater Technology is designed to help local health officials, planners and elected officials develop informed decisions on allowing use of small-scale wastewater systems in rural housing. Although not intended to be a technical manual, this handbook provides information on the basic working principles and practical limitations of these wastewater systems. Written by the Synectics Group, Inc. and Roy F. Weston, Inc. It is available from HUD USER, P.O. Box 280, Germantown, MD 20874-0280, (800) 245-2691.

Strategy for Survival of Small Farmers--International Implications is the proceedings of the 42nd Annual Professional Agricultural Workers Conference. Available from T. T. Williams, Human Resources Development Center, Tuskegee University, Tuskegee University, AL 36088.

Names in the news...

* Arkansas Congressman BILL ALEXANDER was honored recently for Outstanding Leadership in Rural Economic Development by delegates to the 18th Annual Conference of the National Association of Development Organizations (NADO). Alexander was keynote speaker at the conference.

* DR. DURWARD F. BATEMAN has assumed the position of assistant professor of Agriculture and Life Sciences at North Carolina State University.

* DR. HAROLD R. BENSON was recently appointed research director of the Evans-Allen Agricultural Cooperative Extension Service, University of Kentucky. He replaces LIONEL WILLIAMSON, who is now at the University of Kentucky.

* DR. BETH WALTER HONDADE has joined the Natural Resources and Rural Development staff of the Extension Service as national program leader for economic development. Formerly with the USDA Economic Research Service, Mr. Honda was a program leader for Extension programs in economic development including area development, business and industrial development, development, downtown revitalization, small business management, labor development, impact assessment, and business retention and expansion.

* DR. ROBERT LEE HURST is the 1985 recipient of the George Washington Carver Pubic Service Hall of Fame Award. He is Vice President of the University of Arkansas, Fayetteville.

* DR. GARY SCHNEIDER has assumed the position of assistant dean of the College of Agriculture and Life Sciences at the University of Tennessee in Knoxville. Formerly he served as professor and head of Forestry, Fisheries and Wildlife at Michigan State University.

On Schedule

FARM BILL WORKSHOP: THE FOOD SECURITY ACT OF 1985: AN EXTENSION FARM MANAGEMENT, MARKETING AND POLICY programs IN THE SOUTH, April 8-9, Knoxville, Tenn. Sponsored by the Tennessee Regional Farm Management Committee, Marketing Committee and Public Affairs Committee. For more information, contact the Southern Rural Development Center, Box 5400, Mississippi State, MS 39762, (601) 325-3307.

MINISTERING TO TROUBLED FAMILIES--I, A WORKSHOP FOR MINISTERS IN SMALL COMMUNITIES, April 6-7. The workshop is designed to provide insights into the problems facing rural families today and the counseling a rural pastor to parents. Registration is limited to 150 persons. Sponsored by the Extension Services of Tennessee Agricultural University, University of Tennessee, University of Arkansas (Fayetteville) and Pine Bluff), Alcorn State University and Mississippi State University in cooperation with the Southern Rural Development Center. For information, contact the Shelby County Extension Office, 5565 Shelby Oaks Dr., Memphis, TN 38134.

SOUTHERN NATURAL RESOURCES ECONOMICS COMMITTEE (SNREC) SPRING MEETING, May 15-16, New Orleans. More information, contact Steven Heming of Louisiana State University at 338-2718 or Buddy Gillman of Clemson University at (803) 656-3223.

THIRD ANNUAL SOUTHERN FARM: CHANGING PERSPECTIVES FOR FAMILY DEVELOPMENT CONFERENCE, May 17-18, Athens, Ga. Sponsored by the University of Georgia College of Home Economics and College of Family Development. Contact Ellen Maupin, The Southern Farm, Georgia College of Family and Consumer Education, Univ. of Georgia, Athens, GA 30602.


SOUTHERN REGION SUMMER SCHOOL FOR ADULTS, EXTENSION AND LEADERS EDUCATION, June 16-July 3, North Carolina State University (NCSU), Raleigh, N.C. Eleven courses of three credit hours each will be offered. Sponsored by NCSU and Extension. For a detailed program, write to Dr. Edgar J. Boone, Campus Box 7607, NCSU, Raleigh, NC 27695-7607.

SOUTHERN EXTENSION PUBLIC AFFAIRS COMMITTEE (SEPAC) FORESTRY-LAND USE WORK SHOP, June 18-19, Chattanooga, Tenn. For information, contact the Southern Rural Development Center, Box 5400, Mississippi State, MS 39762, (601) 325-3307.

18TH ANNUAL CONFERENCE OF THE COMMUNITY DEVELOPMENT Program, July 28-31, Carbondale, IL 111. Theme: "Capturing Community Elastic: Issues, Needs and Challenges." For more information, contact the Illinois Division University (SID). For registration details, contact Local Arrangements Committee, Community Development Dept., Carbondale, IL 62901, (618) 536-7521.


It's an idea...

* A coalition of neighboring counties and municipalities in North Carolina are participating in a local "Microcredit" energy program. Under the program, a circuit-ride officer will provide energy conservation measures in the use of electricity, fuel oil, vehicle fuel, etc. The state Alternative Energy Corporation (AEC) guarantees that most of the expenses incurred in the program will be recovered through conservation savings. After two years, if the energy savings obtained by the energy officer do not equal or exceed his salary, the AEC will reimburse the participating local governments. For more information, contact J. Roy Page, 1630, Box 1717, New Bern, NC 28560, (919) 946-8093.
Deregulation... (Continued from page 5)

financing needs of the local agricultural sector. Furthermore, independents had more operating flexibility than affiliates in setting interest rates, lending policies and service charges because independent banks made policy at the local level. This gave independents the competitive edge in local markets.

On the other hand, affiliates offered a wider range of services because they could tap a larger financial and staff resource base. In a less diversified, one-industry community, affiliates could be less conservative than their independent counterparts, which had to protect themselves from risk exposure, according to Markley.

Kenneth Fain, managing editor of Landers County
Continental, said deregulation would help local economies.

According to Fain, the answer does not lie solely in letting the free market work. Public policy should capitalize on the strengths and minimize the weaknesses of the free market.

Fain recommended that deregulation consider a number of options for spurring economic development. Possible options include formation of bank-sponsored community development corporations (CDCs), formation of bank Small Business Investment Companies (SBICs), tapping of state-sponsored loan guarantee and flexible grant programs, and utilization of pension fund deposits to invest in certificates of deposits, which can then be matched by Small Business Administration loans.

An in-depth report of the NATAI seminar is available for $14 ($7 for town officials) from NATAI, 1522 K St., N.W., Suite 730, Washington, D.C. 20005.

(Condensed from an article by David R. Jones in the July 1985 issue of NATAI's National Community Report, a publication of the National Association of Towns and Townships.)

White assesses economic condition of Sunbelt

Sunshine and shade both abound in the Sunbelt, according to the executive director of the Southern Growth Policies Board (SGPB).

"Bullish signs have been and will continue to be population growth, hospitable climate, abundant natural resources, cooperative business attitudes, by government, moderate tax structures and people with a good work ethic," said Jesse L. White Jr., in his January 1986 report to the Commission on the Future of the South.

"The bearish signs, or the shade in the Sunbelt, still include a larger than average percentage of our people at risk, a lower level of skills and education in the work force, a lack of wealth in many areas, inadequate and misallocated capital, an infrastructure struggling to keep up with growth, and large pockets of our people in areas once competitive but now isolated from the elements of the new business climate."

White reported on the economic condition of the South, pointing out that the region is undergoing a profound transformation as it is integrated into the global economy. "In 1981 an estimated 1.26 million jobs in the region were related to manufacturing," he said. "And on the other side of the coin, in terms of reverse investment, over three-quarters of a million jobs in the region are due to foreign direct investment."

The Southern economy is also restructuring itself from an agricultural to a manufacturing to a service economy, according to White.

"The decline of traditional manufacturing will eliminate an estimated 400,000 jobs by the year 2000. Of the 1.9 million new jobs created, almost 7 million will be in the trade and service sectors," he predicted.

During the 1970s, White pointed out, the South grew in total employment much faster than the U.S. as a whole, although the region also had higher average unemployment rates.

"White also noted the growing disparity between the metropolitan and nonmetropolitan economies in the South, attributing it to a combination of the farm crisis and the decline in traditional non-durable manufacturing.

"The nonmetropolitan South, for example, suffered from lower population growth rates, lower per capita incomes and larger than average unemployment rates than either." (Continued on page 3)

GIT offers course on business districts

Redevelopment of downtown business districts and other commercial areas will be the subject of a course to be offered in Atlanta at the Georgia Institute of Technology (GIT).

The course, scheduled for June 3-4, is intended for government and private agency officials involved in downtown redevelopment. With emphasis on practical and relatively simple techniques of market analysis, participants will learn how to conduct a preliminary market feasibility study of a commercial area, to collect and find data helpful in conducting marketing studies, and to use market studies in attracting the optimum mix of goods and services to the community.

Registration fee for the course is $195. For more information, contact Delride Mercer, Dept. of Continuing Education, GIT, Atlanta, GA 30332, (404) 894-2547.

RELATING RURAL DEVELOPMENT TO YOUR COMMUNITY
Southern growth to continue through year 2000

Good news for the South! Or is it?

According to the latest projections of the Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce, the South is expected to outpace the rest of the nation in population, jobs and earnings through the year 2000.

The rate of increase in earnings will be the highest of any region of the country. This the U.S. is growing faster than the South.

Population growth in the Southern region is expected to exceed job growth by a sizeable amount, reflecting the proportion of retirees in the South.

Retirees, however, can also provide an economic boost for many small communities because many bring with them additional transfer income and require new services.

The bad news, however, is that the nonmetror South is growing much slower than the metro South in both income and jobs, and will probably be an even lower level relative to metro areas by the year 2000.

Between 1979 and 1989, the per capita income in the nonmetro South grew only 82 percent as fast as in the metro South.

Per capita income in the Southern metropolitan counties in 1980 was $10,458 or about the same as the national average. But in the Southern nonmetro counties, it was only $7,735. The PDI of rural blacks in the South was a very depressing $3,203.

Thus, while the overall BEA trends are encouraging, state planners and policy-makers might be wise to heed the more disturbing patterns within the region as well.

(Extracted from the Winter 1986 issue of Southern Growth, a publication of the Southern Growth Policies Board.)

CAPSULES is published periodically by the Southern Rural Development Center as an information service for educators, researchers, local officials and private citizens interested in improving the quality of life in the small communities and rural areas of the South.

The Southern Rural Development Center is one of four federal rural development centers in the nation and focuses specifically on rural problems of the Southern region. The Center is located at Mississippi State University and provides support staff to the extension and research stations of 29 land-grant universities in 13 Southern states, Puerto Rico and the Virgin Islands.

Dr. H. Doss Brodax............Director
Jane Rendero....................Editor
Sandy Markley...........Editorial Assistant

Retirement trends benefit nonmetro counties

Retirement is a strong and expanding source of rural growth.

In 1980, more than a fifth of all nonmetro counties were retirement counties. Since 1980, population growth in these counties has slowed by about a third, but it is still well above the pace for all counties.

People bring to rural areas an important ingredient of economic growth—spending power.

Most retirement counties have the following characteristics:

- high population growth rates in the 1960s, 1970s and 1980s;
- mild climate, scenery, lakes or other natural amenities;
- above average proportion of income from transfer payments; and
- a large service sector.

Few retirement counties have cities larger than 20,000. Over a third are totally rural. Less than half are adjacent to a metro area.

The move to rural areas has been facilitated by economic developments of recent years increasing the income of retirees.

It's an idea...

The municipal government of Falun, Sweden has developed a way high school students can participate in the planning of the city. Through a workbook course, which also helps educate students on the workings of the municipal government, young people can identify local problems and suggest solutions to the city administration. The workbook, prepared by students, teachers and parents, defines problems and proposes solutions. The completed books go to city administrators.

White... (Continued from page 1)

U.S. or the metro South.

White discusses the following economic indicators for the region:

- DEMOGRAPHY—The region grew twice as fast as the U.S. as a whole during the 1970s, adding 9.1 million people. Still the most rural region of the nation, about 38 percent of the Southern population lives outside metro areas compared to 25 percent in the South. Genetically, the Southern region is aging faster than the nation as a whole. While the percentage of persons over 65 will increase by 15 percent between 1980 and 2000, it will increase by 48 percent in the South.

- EDUCATION—Although the South has made progress in investing education, the region as a whole still invests only about 80 percent of the national average in public education. In 1980 the South relied on the federal government for 12.5 percent of its education dollar compared to 7.6 percent nationally. Low investment shows in poorer graduation and illiteracy rates. In terms of perfor-

nance, Southern students perform below the national average on almost all measures.

- TECHNOLOGY—Historically, the region has lagged behind in technology, but it has made great strides in certain localities recently—e.g., the Research Triangle Park, Georgia Tech and the technology corridor in Tennessee. However, the output of scientists and engineers lags far behind the nation.

- CAPITAL AND INFRASTRUCTURE—The region has been capital-deficient since the Civil War. In 1983 the South had 25 percent of the nation's population, 21 percent of the nation's people living in the South, and only 18 percent of the nation's assets held by financial institutions. For this capital-deficient region, the financing of an expanding infrastructure will be a challenge.

- NATURAL RESOURCES—The greatest environmental challenges facing the region are protection of water quality and safe disposal of hazardous wastes.
Local leaders use volunteers to strengthen projects

As local governments receive less federal aid and must meet ever-growing expenses, many are using volunteers to help stretch budgets. Volunteers across the U.S. are offering their services to their local governments for a variety of activities--office work, library maintenance, nature trail development, data processing, downtown beautification, paralegal and paramedical services, and many others.

To local officials, voluntarism is a very appealing concept. However, it is not a panacea, and it is not cost-free. For example, funds for training, management, supplies, incentives, rewards, and insurance coverage must be considered.

Other problems can surface. Department heads who can successfully use volunteers may worry that they will receive less staff or resources as a result. They may also fear the extra demand on their time necessary to train and manage volunteers. Paid staff may resist working with volunteers, fearing threats to their job security or worrying about the quality of service provided by volunteers.

Some local governments shy away from using volunteers because they consider the legal liability issues too risky.

However, carefully planned and executed volunteer programs can offer viable alternatives to local governments with tight budgets.

The steps outlined below offer guidelines for starting a volunteer program:

1. Assess the potential of using volunteers. Where the staff and management are most or least receptive, where there is the organizational and managerial capacity to train, use and reward volunteers, where volunteers can feel useful, and where there are legal constraints.

2. Determine program goals and expectations. Management and paid staff should work together to develop realistic goals and expectations such as increasing or maintaining present levels or costs.

3. Choose an organizational framework. A local government volunteer program can be organized in several different ways. It can be under the direction of an individual, or each department can control its own volunteers.

Especially in small local governments, the higher executive or an organization responsibility can be placed for recruiting and coordinating a volunteer program, the more likely its chances of success.

4. Develop job descriptions to define specific tasks the volunteers will perform. Consider how long the tasks in the job will take, the kind of skills and background necessary to do the job, and the resources available to the volunteers, including training, supplies and equipment.

5. Recruit volunteers. The best approach is usually through personal contact face-to-face, on the telephone or letter. Other methods include local media, community meetings, some service organizations, posters and leaflets. Emphasize what you believe would appeal to potential volunteers. For example, mention that volunteering gives them a chance to do something meaningful for the community, to brush up on job skills to gain professional experience for a resume or to make friends and contacts.

6. Interview and select volunteers. A good match between the volunteer and the job is critical. Interview should be conducted thoroughly. It should be thorough enough to determine if the volunteer should be treated as professionally as an interview for a paid position, and the agreement should spell out everything expected of the volunteer and the organization.

7. Train and orient the volunteers. They need to know the rules, regulations and customs of the organization. They also require specific training on how to perform the job, whom to report to and what results are expected.

8. Motivate and reward the volunteers. Rewards might include recognition plans or certificates that mention special accomplishments, special dinners, publicity about specific volunteers in local media, and assistance and encouragement to volunteers in using their volunteer experience as a basis for finding a paid position.

*(Condensed from "Volunteers Help Stretch Local Budgets," by E. Dwayne Godsey Valenta, in the October 1985 Issue of Rural Development Perspectives, a publication of the USDA Economic Research Service.)*

**Names in the news...**

* DR. LLOYD FAULKNER has been appointed assistant director of the Oklahoma Agri-cultural Experiment Station. He will also continue in his position as director of Research and Graduate Studies in the College of Veterinary Medicine at Oklahoma State University.

* DR. VANCE HAMILTON has been appointed acting assistant director for Community and Rural Development at North Carolina State University.

* DR. D. G. HAWKINS, assistant director of the Mississippi State University Extension Service, retired March 31, 1986.

* DR. J. E. PHILLIPS has been appointed assistant director for Agriculture and Natural Resources at North Carolina State University Extension.

* DR. ALTON THOMPSON, assistant professor of rural sociology at North Carolina A&T University, recently spent three months at the University of Stellenbosch, working on rural poverty issues pertaining to the nonmetro South. He developed a research proposal and associated data base to analyze income sources and distribution for Southern rural groups such as minorities, female-headed households and farm residents.

* DR. LOUIS N. WISE, vice president of the Division of Agriculture, Forestry and Veterinary Medicine at Mississippi State University, is retiring April 30, 1986.

**Study probes location factors of high-tech firms**

Rural areas are influenced by many economic factors over which they have little control, but a recent study revealed actions which might be taken to attract high technology firms. The purpose of the study was to determine factors deemed desirable in a location by high technology firms. About 1,500 firms were asked to assess the relative degree of importance of 56 different factors to the location of their firms.

Factors listed by these firms as most important, according to the respondents who marked each factor as either "absolutely essential" or "very important" included the following:

- clean physical environment (63 percent);
- availability of technical personnel (51 percent);
- absence of alcohol/drug problems in the community (54 percent);
- qualified public school system (53 percent);
- low traffic congestion (49 percent);
- knowledgeable bankers friendly to technology-based firms (49 percent);
- positive policies and attitudes of local government toward industry (47 percent);
- medical services and facilities (46 percent);
- one-day package service from UPS and

**Federal Express (46 percent);
- housing for management (43 percent);
- nearby airport for passenger service or private planes (42 percent);
- opportunities for consultation with skilled workforce (40 percent);
- minimum electric power interruptions and shortages (38 percent);
- and
disciplinary local telephone service (35 percent).

The following infrastructure factors historically associated with industrial location were accorded less importance by respondents:

- industrial sites for lease (27 percent);
- average wage levels (26 percent);
- long distance trucking or rail services (25 percent);
- vocational training facilities (16 percent);
- waste disposal arrangements (15 percent);
- system capacity (15 percent);
- public transportation (9 percent); and
- private schools (9 percent). 

*(Condensed from "The New Infrastructure: Creating a Climate for Growth" by Daryl Hobbs of the University of Missouri, published in The Changing Business Climate, proceedings of the Southern Growth Policies Board Annual Meeting, 1985.)*
In Print


On Schedule

AGRICULTURAL TRANSPORTATION CONFERENCE, May 13-15, St. Louis, Mo. Sponsored by the USDA Office of Transportation. The conference focuses on trends in world markets for U.S. agricultural products by promoting a more efficient and equitable transportation system. For information, contact Martin F. Fitzpatrick Jr., USDA, Office of Transportation, Washington, DC 20256.

SOUTHERN NATURAL RESOURCES ECONOMICS COMMITTEE (SNEREC), Jan 18-19, Chattanooga, Tn. For information, contact Steven Roland of Louisiana State University and Galen Stover of the University of Kentucky.

DILLON of Clemson University at (803) 566-3223.

THIRD ANNUAL SOUTHERN FAMILY: CHANGING PERSPECTIVES, CHILD AND FAMILY DEVELOPMENT CONFERENCE, May 17-18, Athens, Ga. Sponsored by the University of Georgia College of Home Economics and Georgia Center for Continuing Education. Contact Ellen Haupin, the Southern Family, Georgia Center for Continuing Education, University of Georgia, Athens, GA 30602.

ANNUAL MEETING OF THE RURAL COALITION, May 19-22, National R-4 Center, Washington, D.C. Theme: "Unifying for Rural Change." For information, contact Rural Coalition, 2001 S. St., N.W., Suite 500, Washington, DC 20009; (202) 483-1500.

Small talk on big issues...

More than two million farmers and ranchers have expressed concerns about their farm operations for the 1990s. According to a survey of agriculture, Questionnaires will be mailed to participating farmers. Conducted by the Census Bureau at five-year intervals, the agriculture census is the primary source of data and county information on farm numbers, acreage, crop and livestock production, sales and expenses.

A higher proportion of farms than nonfarm residents are married, according to a report by the Census Bureau and the USDA. In 1989, 67 percent of the farm population 15 years and older were married and living with a spouse, compared with 56 percent of the nonfarm population. Relatively fewer farm people than nonfarm people were divorced and living apart--2 percent for farm people compared with 7 percent for nonfarm people. The report also finds that farm women have more children than their nonfarm counterparts. As of June 1992, the number of children born to married and formerly married farm women 10 to 17 years old averaged 2,138 per 1,000. The average for nonfarm women was 1,267 per 1,000 women.

Metropolitan growth continued at a pace of 0.5 percent in 1988, but the nonmetropolitan rate slipped from 1.3 percent in the 1970s to 0.8 percent. Metropolitan growth has been relatively slow throughout this century except in the 1970s. The difference, however, has narrowed in the 1980s.

SOUTHERN REGION SUMMER SCHOOL FOR ADULT EXTENSION AND COMMUNITY COLLEGE WORKERS, June 15-27, North Carolina State University (NCSU), Raleigh, N.C. Eleven courses will be offered. Sponsored by NCSU and Extension.

Fourth detailed program, write to Dr. Edgar J. Basset, Box 7607, NCSU, Raleigh, NC 27695-7607.

SOUTHERN EXTENSION PUBLIC AFFAIRS COMMITTEE (SEAPAC) FORESTRY-LAND USE WORKSHOP, June 20-21, Chatanooga, Tn. For information, contact Paul Southern, Southern Rural Development Center, Box 5406, Mississippi State, MS 39762, (601) 325-3207.


On Film

Fast Forward: A Video Workshop is a multi-media resource designed to help community groups explore their effectiveness in achieving community goals. Consisting of a 68-minute video, a workbook and a participant workbook, the video workshop covers such topics as identifying issues, motivating individuals, getting started, strategies for mixed manufacturing and commercial agriculture. Copies of the workbook are available from the National Technical Information Service, Customer Services Branch, Bureau of the Census, Washington, DC 20233.

The Elderly in Rural Society, edited by Raymond T. Coward and Gary R. Lee, is designed to show how aging affects rural residents and how rural residents affects the aged. Included are research on a wide range of topics including demographic characteristics, work, retirement, and income characteristics; physical health, mental health and housing characteristics; senior citizen service delivery and policy. Available from Springer Publishing Co.
Public-private partnerships expand rural options

Local officials are learning that they can solve some of their community's problems by forming coalitions with the corporate world.

Today, corporations form public-private partnerships with communities in a variety of ways: donating funds, goods and equipment; making loans and financial investments in the community; loaning executives to public agencies and non-profits; coordinating training programs with local schools; and joining local government officials and other citizen groups to solve community problems.

Traditionally, corporations have operated under the philosophy that their social responsibilities ended as soon as their building went up.

Gradually, however, they are learning the value of making commitments to the communities that nurture and support them.

The partnership forming between rural and corporate America is thus mutually beneficial.

How do local officials tap the many resources dwelling in the corporate sector? First they must learn something about the needs of the corporation, its current financial picture, the image it desires in the community and what it requires from the community to achieve its business objectives.

The local officials should develop a clear documented presentation about the project, how it will benefit the community and how it will meet the corporation's needs. With this preparation, a government official should not hesitate to take the initiative and approach the corporation.

Local officials must remember that they have knowledge of the community—an invaluable resource—as well as other bargaining chips such as their control of public services and facilities, tax and regulatory policies, and federal and state monies. They can use these tools to provide incentives for private initiative.


Southern conference focuses on changes in farming

Price, income supports create farm cannibals

Price and income supports for farmers have resulted in farm business cannibalism, according to Willard W. Cochrane, emeritus professor of Agricultural Economics at the University of Minnesota.

In a keynote address, "The Need to Rethink Agricultural Policy in General and to Perform Some Radical Surgery on Commodity Programs in Particular," Cochrane suggests that aggressive early adopters of new technologies have used the price and income support programs to "do in" the farmers who are slower to adopt the technologies.

Cochrane uses the treadmills theory to show how the very programs that were designed to save the moderate-sized family farmer have contributed to his demise.

According to Cochrane, the programs provided the early adopters with the perfect price or income shelter under which to expand their operations at the expense of the early adopters of farmers.

The treadmills theory suggests that the early-bird adopter of an important new technology reaps a profit since his cost structure falls as a result of his innova-tive act but the price of the commodity does not.

(Continued on page 16)
Role of agriculture in rural South shifting

As the farm population declines under the specter of crisis, the role of agriculture in the rural South is shifting. According to Joseph J. Molnar, about 24 percent of the total U.S. farm population was in the South in 1980, or only a quarter of the 7.2 million people living on farms in 1960. Sustaining this decline in the farm population in conjunction with the current farm crisis is resulting in the realignment of many economic, political and social forces in the South. Molnar discusses some of the key transitions in his paper entitled "The Shifting Role of Agriculture in the Rural South." Molnar is an associate professor in the Department of Agricultural Economics and Rural Sociology at Auburn University.

In the economic arena, the current farm crisis and other ensuing changes in farming will have an obvious impact on the rural South. Molnar notes, for example, that one effect is the redistribution of employment from the farm sector to other sectors. When farming declines in an area, other economic activities have to increase to dominate. Farm dependence on the marketplace creates new jobs in other sectors at the same time that mechanization and other farming developments work to eliminate farm jobs.

Molnar suggests that a large share of the new nonfarm jobs tend to be concentrated in central places where marketing, processing and distribution offices are located. In such cases, rural counties are net losers in this redistribution of employment.

Also, farm machinery and chemical industries as well as other industries dependent on the farm sector are being damaged by the farm crisis, Molnar points out. Local economies are also likely to be hurt since many dispersed building and job locations.

Shifts in agriculture will also have political implications on the rural South. The declining farm population will result in fewer farm voters and decreased public understanding of farming. According to Molnar, this is particularly true in farm areas where farmers' political representation may be mediated somewhat by the fact that farmers tend to vote and participate politically at higher rates than nonfarm residents. Farmers' political representation is also enhanced by their legacy of organization. Farm groups, commodity interest organizations, farmer cooperatives and financial intermediaries all provide forums for farm issues. Thus, according to Molnar, farmers speak with a louder voice in political matters than their declining numbers might indicate.

Molnar also observes that farmers gain additional political influence in their role as major holders of land, a key resource. They also may benefit politically from the increased visibility of the rural South to farm issues.

Besides the economic and political arena, the social arena will be impacted by changes in agriculture. In the economic arena, the current farm crisis may affect the social character of the rural South. Molnar suggests, the character of the community is irretrievably altered, and the unifying influence of farming is lost.

Molnar also points out that the farm crisis can have other social impacts on the rural community. People in the South. Communities may suffer a collective sense of alienation or depression when financial institutions, or local or state families and businesses are affected.
Lyson outlines barriers to entry into farming

Opportunities for entry into farming are becoming limited, according to Thomas R. Lyson, professor of Agricultural Economics and Rural Sociology at Clemson University. In fact, barriers to entering farming are formidable, Lyson suggests in his paper "Entry into Farming: Implications of a Dual Agricultural Structure." In an analysis of factors influencing entry opportunities for farming, Lyson points out that American agriculture is bifurcated: both the number of small scale, part-time, hobby farms and the number of larger-than-family farms have expanded. Lyson suggests that this dual structure results in a net increase in the number of opportunities for entering farmers.

For example, one effect of the dual agricultural system has been the concentration of farmland into fewer hands. One percent of the 6.9 million farmland owners control over 30 percent of the private land in the U.S. Of that, the largest 3 percent holds almost half. A consequence is that only about 3 percent of farmland changes hands each year. Of this, transferred through private sales, gifts or inheritances, never makes it to the open market. One effect of this unavailability of land is to constrain entry into farming.

Lyson discusses other forces with the potential to reduce the pool of new farmers. Government policies and programs as well as general economic conditions can be critical. Inflation, for example, income tax incentives make investment in farmland attractive. Farmers and credit policies often favor large land acquisition.


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Structural changes may benefit part-time farmers

Part-time farmers may be better off than full-time farmers after structural change. According to Lyson and Robert Zabawa, technological change and economic growth create problems for farmers, but they have free time to get out of farming or get off-farm work. This process of differentiation is what is known as "in and out." In order to analyze the implications of structural change, Gladwin and Zabawa studied a set of farmers in Gadsden County, Florida. They found that their major money crop of shade tobacco during the mid-1970s due to increasing costs of production competition from Central America, decline in the demand for cigars and technological change.

Using structural interviews, Gladwin and Zabawa studied the following events to determine what happened to the part-time farmers.

- They studied a set of farmers in Gadsden County, Florida.
- They studied the part-time farmers' survival strategy of keeping debts low and selling off unprofitable crops.
- They studied the part-time farmers' ability to pay off and allowing them to keep the assets they accumulated during the period of tobacco production.

Do the results of the study imply that the American farming family is doomed?

Noting that the results from the Gadsden County study can not be generalized to the country as a whole, research suggests that at least in Gadsden county the part-time family farm may be in a worse position. 

The researchers suggest that structural processes of structural change in the Gadsden County part-time farmers have apparently operated under a policy of keeping debts low and securing off-farm income. 

However, the results do not paint a gloomy picture for the survival of full-time farmers, according to Gladwin and Zabawa. Although these farmers have doubled their gross sales, they have also tripled their debts and doubled their debt-to-asset ratios in only seven years. The researchers suggest that structure debates should be centered on alternative policy prescriptions aimed at dealing with the transition from the medium-sized and large full-time family farmer to a small, part-time farmer.
Poor farmers less likely to have off-farm jobs

Whether or not a farmer engages in off-farm work may be a reliable indicator of his poverty status, according to a study conducted by Alton Thompson, Albert G. Yeoob and Sidney H. Evans. Several methods were developed to determine the extent to which selected socioeconomic and farm-related variables were adequate predictors of farmers' poverty status. Variables examined in the study included whether or not a farmer engaged in off-farm work, joined an agricultural co-op or prepared a farm budget, as well as the farmer's age, level of education and number of years in farming.

According to Thompson, Yeoob and Evans, one of the seven variables--off-farm employment--reliably discriminated the poor farmers from non-poor farmers. In the study, poor farmers were less likely to have off-farm employment than non-poor farmers.

Results of the study are presented in "Determinants of Off-Farm Operations Among Farmers in North Carolina," a report by the Agricultural and Rural Economics Division of the North Carolina Agricultural Service. Yeoob and Evans are both with North Carolina A&T State University.

Data for the research were obtained from 215 structured interviews with selected respondents from five North Carolina farm counties. Sample counties had at least 50 percent small farm population and at least 200 small farms. Thompson, Yeoob and Evans note that their sample was skewed toward small farm operations since 71.2 percent of the farms in the sample had gross sales of $20,000 or less. As a group, these farms had gross sales of $40,000 or less.

Results of the study reveal that the poor and non-poor farmers differed only in whether or not they were engaged in off-farm employment. Being a member of an agricultural co-op, preparing a farm budget, number of years in farming, level of education, number of acres operated and age followed next in order of importance.

In general, poor farmers were slightly more likely than non-poor farmers to operate fewer farms. Also, poor farmers had fewer years of education, belong to a co-op, be older and have more farm experience. However, the correlation between poor and non-poor farmers was not statistically significant, according to Thompson, Yeoob and Evans.

The study included shorter-term results of a comparison between the 1976 Land Ownership Survey and the 1946 USDA Farmland Ownership Study. Results are presented in a paper entitled "The Changing Structure of Farmland Ownership in the South," which is Michigan Intercollegiate Experiment Station Publication #10168.

Regarding the issue of ownership, results reveal that between 1946 and 1976, by far the largest amount of farmland is owned by individuals and families. Each owner group retained its basic structure over this period. However, the average size of the farmland increased. In 1946, the average size of the farm was 138 acres. In 1976, the average size of the farm was 177 acres.

Formal partnerships held 16 percent of the land and are 8 percent of the private landowners. Although corporations are only 1.2 percent of the private owners of farmland, however, small family corporations comprised 42 percent of the corporate ownership. Farmland tenure, the study suggests a growing separation of ownership and management of farms. Between 1964 and 1978, owner operator landlords' proportion of the population, land and value rose almost two-thirds. In contrast, both part-time operator owners and nonoperator landlords increased their proportion of the population, land and value.

The study also reveals that while the composition of the farm ownership has not increased since 1946, ownership remains extremely concentrated in the hands of a few. The proportion of owners with 500 or more acres decreased from 8 to 3 percent, and their ownership dropped from 60 to 45 percent of all farmland. Meanwhile, the proportion of land held by owners of less than 70 acres doubled (from 6 to 12.7 percent), but the proportion of land held by middle-sized owners remained about the same.

The distribution of farmland by race, the study indicates many disparities. For example, value per acre is held by blacks, Hispanics and native Americans is roughly half of that owned by whites. Blacks are more likely to own farm and than their frequency in the adult population would suggest, while all other racial groups are less likely to own farm. Average acreage owned by blacks is about one third the size of the average white acreage. Distribution of farmland by gender also is disparate. According to the study, farmland is extremely unequally distributed by gender. In 1946, 91 percent of all owners were male. However, by 1978, the proportion of male owners was 91 percent of the land. The comparable figures for 1978 were 82 percent and 83 percent. The study reveals that women have gained in terms of proportion of owners, acreage owned and total value but have not gained in terms of farmland value per acre (see table).

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Study examines trends in farmland ownership

What are the trends in farmland ownership in the South? In a study designed to explore the current farmland situation, Craig K. Harris, Jess Gilbert and Jim McAllister address five farmland issues for the South: type of ownership, tenure, concentration/parcellation, race and gender.

The authors present results of a comparison between the 1976 Land Ownership Survey and the 1946 USDA Farmland Ownership Study. Results are presented in a paper entitled "The Changing Structure of Farmland Ownership in the South," which is Michigan Intercollegiate Experiment Station Publication #10168.

Regarding the issue of ownership, results reveal that between 1946 and 1976, by far the largest amount of farmland is owned by individuals and families. Each owner group retained its basic structure over this period. However, the average size of the farmland increased. In 1946, the average size of the farm was 138 acres. In 1976, the average size of the farm was 177 acres.

Formal partnerships held 16 percent of the land and are 8 percent of the private landowners. Although corporations are only 1.2 percent of the private owners of farmland, however, small family corporations comprised 42 percent of the corporate ownership. Farmland tenure, the study suggests a growing separation of ownership and management of farms. Between 1964 and 1978, owner operator landlords' proportion of the population, land and value rose almost two-thirds. In contrast, both part-time operator owners and nonoperator landlords increased their proportion of the population, land and value.

The study also reveals that while the composition of the farm ownership has not increased since 1946, ownership remains extremely concentrated in the hands of a few. The proportion of owners with 500 or more acres decreased from 8 to 3 percent, and their ownership dropped from 60 to 45 percent of all farmland. Meanwhile, the proportion of land held by owners of less than 70 acres doubled (from 6 to 12.7 percent), but the proportion of land held by middle-sized owners remained about the same.

The distribution of farmland by race, the study indicates many disparities. For example, value per acre is held by blacks, Hispanics and native Americans is roughly half of that owned by whites. Whites are more likely to own farm and than their frequency in the adult population would suggest, while all other racial groups are less likely to own farm. Average acreage owned by blacks is about one third the size of the average white acreage. Distribution of farmland by gender also is disparate. According to the study, farmland is extremely unequally distributed by gender. In 1946, 91 percent of all owners were male. However, by 1978, the proportion of male owners was 91 percent of the land. The comparable figures for 1978 were 82 percent and 83 percent. The study reveals that women have gained in terms of proportion of owners, acreage owned and total value but have not gained in terms of farmland value per acre (see table).

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Owners and Distribution of Southern Farmland, by Gender, 1946 and 1976.

<table>
<thead>
<tr>
<th></th>
<th>Owners</th>
<th>Acreage</th>
<th>Average Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1946</td>
<td>1976</td>
<td>% of Total</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Per Acre</td>
<td>Total</td>
</tr>
<tr>
<td>Women</td>
<td>91</td>
<td>82</td>
<td>91</td>
</tr>
<tr>
<td>Men</td>
<td>9</td>
<td>18</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Woman</td>
<td>46</td>
<td>54</td>
<td>46</td>
</tr>
<tr>
<td>Men</td>
<td>54</td>
<td>46</td>
<td>54</td>
</tr>
<tr>
<td>Mean</td>
<td>99</td>
<td>101</td>
<td>99</td>
</tr>
</tbody>
</table>

(Million)
Cochrane... (Continued from page 1)

However, as more and more farmers adopt the new technology, the supplies of the commodity begin to increase and the price begins to decline. Eventually an equilibrium is reached, with early-bird adopters back in a no-profit situation and the price of the commodity at a lower level.

Price supports change these dynamics, Cochrane suggests. After the early-birds adopt the new technology, the supply of the commodity increases but the price never falls. The unit profits of the early adopters are maintained, and they seek more land in order to expand their operations. With a fixed land base, however, expansion can occur only at the expense of other farmers, especially farmers in financial difficulty.

Meanwhile, Cochrane explains, as more and more farmers adopt the new technology, supplies increase but still the price remains steady. More and more farmers attempt to expand their operations.

Eventually, however, a point is reached with the competition for land forces the price of land to rise. Another equilibrium, no-profit situation ensues for the producers of the commodity, with higher cost structures for farms resulting from the higher land values.

The rising cost structures then make it necessary to increase the levels of benefits in the support programs, leading to another upward movement in land values. According to Cochrane, this explains the never-ending pressure to raise the level of price and income support in the commodity programs.

Thus, Cochrane explains, price and income supports combined with rapid and widespread technological advance have an internal dynamic of their own, resulting in farm business cannibalism, resource concentration and rising land values.

He points out that this process has been further bolstered by a set of federal tax policies creating incentives for certain farmers to expand the size of their operations and bringing tax shelter-seeking investors into farming. He suggests that tax policies in farming complement the treadmill process to produce fewer and larger farms as well as rising asset values.

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SGPB describes Southern trends, predicts future

Three major themes stand out in predictions for the future of the South. According to the Committee on Southern Trends (COST) of the Southern Growth Policies Board (SGPB), the future of the South will be characterized by increasing reliance on information and knowledge and thus education for economic growth; increased privatization of once-public services; and growing disparities, not only in state and local fiscal capacities, but also in economic opportunities for different regions.

In its second annual report, Looking Forward: Visions of the Future of the South, 1985, the committee offers the following 12 predictions:

* Automation will redefine and relocate work.
* Automation will mean slower employment growth and different labor market needs. The demand for clerical and managerial personnel will be greatly reduced as the demand for craftsmen, operatives and professionals increases. The quality of education and training will become an important factor in sustaining future economic growth.
* Universities will be more crucial to economic development. The Bureau of Labor Statistics projects an increased demand for professional and technical workers of more than five million persons by the year 1995. Most of this demand will be for occupations requiring four years of college. Given these projections, the ability of universities to accommodate the increased demands for professional occupations will become crucial. Other functions of Southern universities will be to initiate the scientific advances leading to new products and processes, spawn technology-related businesses, rescue troubled industries and attract new investment.
* Small business incubators will be the South's "golden goose." Public agencies will increase their role in increasing the number of small business incubators as a key mechanism for stimulating entrepreneurship and small business development. Trends suggest that in the future, many groups may collaborate to sponsor incubators in the South with a high potential for joint efforts among public agencies and the private sector.

Beaulieu joins SRDC for sabbatical leave

Dr. Lionel J. Beaulieu of the Institute of Food and Agricultural Sciences (IFAS) at the University of Florida, has joined the Southern Rural Development Center (SRDC) for a year of sabbatical leave.

During his upcoming year at the SRDC, Beaulieu will provide leadership on special projects dealing with community leadership development and the current farm crisis.

Beaulieu's primary objectives will include the following:

* to assist the SRDC in its facilitative/coordination role with land-grant institutions in the South;
* to undertake a comprehensive assessment of community leadership development programs being conducted by Cooperative Extension Service personnel in the South;
* to examine the nature and extent of the farm crisis in the South and its associated impacts on rural communities.

Beaulieu is a visiting professor at IFAS at the University of Florida since 1977.

He received his bachelor degree from St. Anselm's College and both his master's and doctorate degrees from Purdue University.

RELATING RURAL DEVELOPMENT TO YOUR COMMUNITY
Rural working women hurt by Southern economy

One conclusion is that as capital-intensive industries replace traditional labor-intensive industries, rural working women are losing employment opportunities.

For example, most of the workers losing jobs in the apparel and textile downturn were female, rural, and non-union. For more information, contact Lisa Lederer or Susan Balles at (202) 337-0855 or the Southeast Women's Employment Coalition at (606) 276-1555.

A publication, "Women of the Rural South: Economic Status and Prospects," is available for $7.50 from the Coalition office, 382 Longview Dr., Lexington, KY 40503.

Teacher shortage could impede Southern progress

If better schools mean better jobs, then an impending teacher shortage could spell economic doom for the South, and regional educational opportunities for Southern states have already identified the improvement of education as one of the "true competitive advantages" of their states' economic vitality.

Historically offering the lowest teacher salaries in the nation, these states have initiated education reform measures aimed at upgrading their levels of educational performance.

The reform has been too late, however, handicapped by the impending shortage of qualified teachers.

By the 1990s, teacher shortages could seriously impede Southern efforts to improve economic health.

Statistics from the National Center for Education Statistics (NCES) forebode the shortage. If the supply of new teacher graduates remains at 1983 levels, it will meet only 80 percent of the demand for additional teachers by 1989. If the trend towards increasing numbers of college students choosing careers other than teaching continues, then the shortage of new teacher graduates could be acute, with supply falling to only 60 percent of projected demand for additional teachers between 1989 and 1993.

The shortages do not exist uniformly across subject areas, public locations, or South. Subject areas in the highest vacancies include science, mathematics, and special education.

The picture looks especially grim for rural areas of the South.

Nonmetro school districts in the South generally have fewer time filling vacancies than metro districts. For example, rural areas of Kentucky and Virginia report an average of one school in the 1985-86 school year, but urban areas did not.

Teacher shortages are often resolved by the hiring of " emergency teachers" with remedial education credentials or out-of-field certification.

Out-of-field assignments are common in rural schools.

The need allows these schools to offer a broad range of courses despite their small staffs and budgets.

Statistics from the NCES reveal that out-of-field teaching unions generally hired teachers who are most prevalent in the South, Northeast, central cities and large school districts.

(Condensed from "The Impending Teacher Shortage: Quick Fix or No Solution?" a December 1985 publication of the Southern Growth Policies Board, P. O. Box 12293, Research Triangle Park, NC 27709, (919) 549-8167.)

Virginia offers rural leadership program

Rural areas in each Southern state would gain significant benefits from a leadership program like one currently happening in Virginia.

The goal of the Virginia Rural Leadership Development Program (VRDLP) is to provide special educational opportunities for participants in rural Virginia to significantly improve their leadership skills.

Supported by a grant from the W. K. Kellogg Foundation, the VRDLP is a joint endeavor of Virginia's land-grant universities. The program is conducted through Virginia Extension.

Class #1 of the VRDLP, begun in October 1985, is expected to finish in June 1988.

The first year consists of eight sessions, while the second year consists of six. Each session is held at a different location in Virginia and covers a different topic, such as state government, federal government, family economics, leadership principles, local government, and politics.

Each participant commits time and financial resources to the VRDLP. The time commitment includes 30 program days during each of the two years, while the potential for 30 extra days for an international trip. The financial commitment includes the cost of travel and a small cost as well as a pro rata share of the annual cost of the program, although some scholarships are available.

Class #2 of the VRDLP is scheduled to begin in fall of 1986.

In November 1980, the W. K. Kellogg Foundation offered $200,000 in support for the first year of the program for a statewide rural leadership program. Besides Virginia, other Southern states have initiated programs including Alabama, Arkansas and Oklahoma.

For more information, contact James H. Williams, VRDLP, Virginia Polytechnic Institute, Room 446, Blacksburg, VA 24061, (703) 568-3399.
Rural elderly lag behind urban in health, income

Differences between the urban elderly and the rural elderly persist, according to Nira M. Glasgow and L. Beale. In "Rural Elderly in Demographic Perspective," Glasgow and Beale point out that although living conditions of most of the rural elderly are now roughly comparable with those of the urban elderly, major differences remain in life expectancy, health, and income. Despite equalizing trends, somewhat different patterns and poorer living conditions remain among older people in rural areas compared with the small towns, where life is still shaped by the surrounding community and the persistence of historical urban-rural differences in economy, income and facilities.

Glasgow and Beale provide the following statistics regarding the rural population and the economic situation of older rural people and how their conditions compare to older urbanites:

- Nonmetro residents 65 or more years old numbered 7,425,000, or 13 percent of the 1980 nonmetro population. Other people are a somewhat smaller proportion.

Table 1--U.S. population 65 and older

<table>
<thead>
<tr>
<th>Area</th>
<th>Elderly</th>
<th>Nonmetro</th>
<th>Percent of nonmetro population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan</td>
<td>7,425,000</td>
<td>13.0</td>
<td></td>
</tr>
<tr>
<td>Nonmetropolitan</td>
<td>25,549,000</td>
<td>87.0</td>
<td></td>
</tr>
</tbody>
</table>

Glasgow and Beale's report was published in the October 1985 issue of RDP (Rural Development Perspectives), a publication of the USDA Economic Research Service.

South Carolina group studies privatization

Privatization in South Carolina is the subject of a recent study and report by the South Carolina Appalachian Council of Governments (SCACOG). The study did not examine specific projects that have been privatized and provides advice on planning and implementing privatization.

The study also addresses public policy issues associated with privatization, such as maintaining service quality, evaluating risks, and assessing the benefits and costs to both the private and public sectors.

For more information, contact Bob Strother, SCACOG, 201 4th Street, B, Greenville, SC 29606, (803) 242-9733.

Future... (continued from page 1)

through public-private partnerships.
* Increasing foreign management will alter the way companies respond to competition. The increasing foreign business presence in the economic landscape will require companies to adapt to new regional and state policies and respond to import competition. Industries will become less unified in their demands, and state and local governments will have to either exercise a greater role in setting national trade policy or relinquish control of its impact on their economies.
* Independence of the farm and non-farm economic systems is becoming a fact of life. Those farms that survive will do so by relying on non-farm income to support farm operations. The availability of off-farm employment for non-farm jobs in rural areas will provide a much-needed support for those employed in the agricultural sector. Recent studies show that the nonmetro South is losing employment in many of the industries which traditionally employed farm family members. State economic developers must institute off-farm job development programs to keep farmers from going under.
* Responsibility for clean water will shift to state and local governments. Expenditures for new sewage treatment facilities will dramatically rise over the next 15 to 20 years, as federal funds are being reduced. The impact will be especially severe in the South because the region's needs from 1986 to 2000 are expected to increase 60 percent, almost three times the rest of the U.S. Citizens may have to pay more appropriate fees to maintain a safe and sound environment. Other financing methods, such as state-operated revolving loan funds, will be a cost in increase for regional treatment systems, and privatization may also be considered.
* The new federalism will exacerbate differences in regional fiscal capacities. The shifting of policy and financial responsibilities to the state and local levels of government may exacerbate existing inter- and intra-regional fiscal inequalities because of the smaller tax base and generates less income despite having to serve a disproportionately larger disadvantaged population.
* Privatization of government services will increase, but it is not a panacea for all communities seeking to reduce costs, however. The same communities that lack the fiscal means to provide essential services may also lack the private sector, because profit-seeking firms will avoid any locality where demographics or regulation will limit their ability to return a profit.

* The public will have more input into public decisions. The trend toward increased participa-
  tion in the form of voter-initiative processes and referenda will play a more important role in all levels of government decision making. Although widely viewed as a positive development, the trend could create problems including increased complexity and cost of government, "information overload," and the possible loss of government's fiscal accountability. Access to computers will determine which groups and individuals are able to participate.

* Access to information will be the key to success in the information age. The transition to an information-based economy will be particularly hard in the South, especially the rural South. The South's economic survival will depend on its ability to make coordinated investments in advanced infrastructure to upgrade the quality and accessibility of its educational systems; and create a higher education system specifically designed for technical proficiency, for rapid turnover in subject matter and techniques in instruction and research, and high standards of excellence.

* Economic inequality among races is increasing. Despite the fact that substantial progress has been made in reducing racial inequality in the economy of the South, current data suggest a reversal toward increased economic inequality for blacks. The increase in competition for jobs, combined with less aggressive equal opportunity program efforts, will mean high unemployment rates, displacement and lower wages for Southern blacks.

* More disadvantaged children will have fewer educational services. The drift to public schools has put serious problems for the Southern states, and further reductions in federal funds for school programs that benefit children and women of childbearing age will put serious problems for the Southern states, where nearly one-third of the children are minority. The child may not be adequately housed, fed, educated or provided with access to health care.
In Print

After the Factories: Changing Employment in the Rural South, a data-rich book, is a critical examination of changes in county employment patterns from 1972 to 1982 by industrially oriented rural regions in the Southeast and shows that much of the rural South has borne the brunt of the recession, how the region's economic foundation is changing, and which economic and demographic conditions in rural areas influence employment patterns. A Southern Growth Policies Board (SGPB) publication, the report is written by Stuart Rosenfeld, Edward Bergman and David Korea. For $47 plus postage from the SGPB, P.O. Box 12293, Research Triangle Park, NC 27709, (919) 549-8167.


Emerging Issues in the Rural Economy of the South is the proceedings of a January 1986 regional conference held in Washington, D.C. The conference addressed the rural economies of the South: infrastructure and transportation, education, values and attitudes, and rural community resource base. Focus is primarily on the manufacturing components of the Southern economy and how employment shifts within industries have disproportionately impacted rural areas. Available for $5 from the Southern Rural Development Center, Box 5446, Mississippi State University, Mississippi State, MS 39762, (601) 325-3207.


Improving Land Use Policy Analysis in the Southeast: Lessons from Virginia's Agricultural and Forest District Act, by E. Jane Luzar and Sandra S. Balle, explores policies designed to retain land in agricultural use through a study of the state of Virginia's experience. Available free from the Southern Rural Development Center, Box 5446, Mississippi State University, Mississippi State, MS 39762, (601) 325-3307.


Water Quality: Agriculture and Community Concerns in the South is the proceedings of a November 1985 regional workshop, the purpose of which was to determine the nature, cause and extent of water quality problems in the South. The conference research-based findings that had implications for the future availability of quality water are used in both agricultural and non-agricultural uses, and to share these results with policymakers, other the general public. Available for $5 from the Southern Rural Development Center, Box 5446, Mississippi State University, Mississippi State, MS 39762, (601) 325-3207.

On Schedule

ANNUAL CONVENTION OF THE NATIONAL ASSOCIATION OF TOWNS AND TOWNSHIPS (NATAT), Sept. 3-5, Washington, DC. The agenda will include a special session on the association's tenth anniversary, general sessions addressed by government leaders, educational workshops, a rally on Capitol Hill, special briefings, presentation of the 1986 Dave Dubberger Government Leader- ship Award and question-and-answer sessions. For details, contact NATAT, 1522 K St., N.W., Suite 730, Washington, DC 20005, (202) 737-5200.

NATIONAL WORKSHOP ON RESURGENCE IN RURAL AMERICA HANDEFA FOR COMMUNITY LEADERSHIP, Sept. 8-10, Fort Mitchell, KY. Intended primarily for people working in the field of leadership. For more information, call Ron Williams of the Cooperative Extension Service, Agricultural and home economics, University of Kentucky State University at (502) 564-5650.

INNOVATIVE PROGRAMS, RESEARCH AND TECHNOLOGIES IN RURAL EDUCATION, Oct. 7-10, Bellington, WA. Hosted by the National Rural Teacher Education Consortium and the National Rural and Small Schools Consortium For information, contact National Rural Development Institute, 359 Miller Hall, Western Washington University, Bellingham, WA 98225, (206) 676-5376.


SUNBELT AGRICULTURAL EXPOSITION, Oct. 14-16, Moultrie, GA. For more information, write the Sunbelt Agricultural Exposition Inc., P.O. Box 1209, Tifton, GA 31793 or call (912) 386-3459.


COMPETITIVE POSITION OF SOUTHERN AGRICULTURE IN A WORLD ECONOMY, A REGIONAL CONFERENCE, Nov. 4-6, Atlanta. Sponsored by the Southern Rural Development Center (SRDC), Southern Extension Marketing Committee, Southern Regional Public Policy Committee, Farm Foundation and Consortium for International Cooperation in Higher Education. For more information, contact the SRDC, Box 5446, Mississippi State University, MS 39762, (601) 325-3207.

On Film

Struggling Into the 20th Century: A Little Bit Late is a documentary about how rural CITED in southwestern Virginia. In exhuasting the economic vitality of their small towns. The film reveals how businesses, government and citizens of Southwest Virginia bandoned together to capitalize on the town's historic significance, waterfront and work force to market itself and attract new industry. Available in both Beta and VHS for $65.95 from CC-M Productions, P.O. Box 15707, Chevy Chase, MD 20815.

Names in the news...

* DR. RODNEY FDOL is the new vice president for agriculture, forestry and veterinary medicine at Mississippi State University. Dr. FDOL has served as director of the Mississippi Agricultural and Forestry Experiment Station.

* DR. MARY NELL GREENWOOD, administrator of the USDA Extension Service since 1980, has resigned her position effective July 14, 1986. She is assuming the duties of assistant to the administrator. Dr. HYRON JOMARDS, who has been director of the North Dakota Cooperative Extension Service since 1977, will take over as interim administrator.

* DR. PRESTON E. LA FERNEY has been appointed acting vice president for agriculture at the University of Arkansas.

* DR. GERALD J. MUSICK has been appointed acting director of the Arkansas Agricultural Experimental Station.
Violent crimes rose fastest where the increase in the number of children in broken families was greatest.

- This year farmers will earn $39 to $43 billion from off-farm employment, according to USDA estimates. Net income from farming is expected to be in the range of $25 to $29 billion.
- Rural schools comprise 67 percent of all schools in the U.S., and one-third of all students live in rural America.
- A group of Southern educators has formed to establish a regional focus on the needs and concerns unique to rural education in the South and to provide a forum for their discussion and resolution. Known as the Southern Rural Education Association (SREAA), the group limits its membership to groups and individuals in the Southern region. Membership fees are $50 for groups and $15 for individuals. For more information contact Dr. Roy Forbes, Executive Secretary, SREAA, Willis Building, East Carolina University, Greenville, NC 27834, (919) 757-6008.

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Problems plague rural business incubators

Small business incubators in rural areas and small towns may face problems not shared by those in metro areas.

- Incubators are designed to increase the survival rates and growth rates of small and young small businesses by providing a combination of management assistance, access to capital, below-market rents, flexible space and shared services. Often they occupy older industrial buildings rehabilitated to hold many small buildings.
- Conditions in rural areas, however, could complicate the achievement of such goals.
- One factor critical to an incubator's success, for example, is the existence of a large enough pool of potential entrepreneurs willing to start a business. A lack of potential participants may make it difficult to attract enough tenants to fill an incubator facility. If this occurs, an incubator may need an aggressive marketing strategy to attract local and nonresident entrepreneurs.

One small town—Dixon, Ill.—solved this problem by searching for leads to potential entrepreneurs and venture capitalists among current and former residents. The incubator in Nonsuch, Ill. (pop. 10,000), also markets itself outside the area and stresses the benefits of living in a small town.

Other approaches include working closely with real estate brokers, chambers of commerce and business development groups who can find potential tenants. Local professionals such as attorneys, bankers and accountants can also play supportive roles.

Smaller towns may also have difficulty obtaining the financial and technical support needed to start up an incubator. One solution is to turn to state economic development departments for assistance. The Technology Development Department in North Carolina is one example of a state-level department providing both financial and technical assistance. It provides grants of up to $200,000 to localities for the establishment of community-based and supported incubators. To date, the department has sponsored three facilities and is in the process of developing several others, at least two of which are located in small towns.

A third disadvantage facing small towns and rural areas in the development of a small business incubator is that their...
Rural Kentucky county solves growth dilemma

After a decade of great emotional and political controversy, Hardin County, Kentucky, has found a way to manage its rapid rural growth. The county's land use ordinance, called the Development Guidance System (DGS), is flexible, rural-oriented, and treats the entire county as a single zone and reviews development proposals on a case-by-case basis.

The two-year-old DGS has received national recognition and national planning association awards. Barring a few "uses-by-right" and even fewer "prohibitive" uses, growth in Hardin County is controlled by a Comprehensive Plan, a policy document. The plan creates growth patterns in concentration and in development cores. Regarding the plan's land use goal of farmland protection, this growth pattern reduces undeveloped pressure to convert farmland.

Of the 62 development proposals submitted in 1984 and 1985, 60 were approved, and 22 were denied in the initial DGS step. Of those proposals approved, 62 percent were non-prime or semi-prime. About half were denied because of prime agricultural soil involvement. The other half were denied because of their proximity to existing infrastructure such as water and sewer systems.

To obtain a permit, a developer proposing to build on undeveloped land must proceed through a Growth Guidance Assessment, Controllability Assessment and an Environmental Assessment.

All decisions made by the planning commission on DGS applications can be appealed to the fiscal court. Criteria for fiscal court deliberations are included within the ordinance. An outgrowth of the DGS is new state legislation broadening all local zoning powers by allowing land use regulations which are more flexible than standard zoning.

(Condensed from the May 1986 issue of Farmland Notes, a publication of the NASDA Research Foundation Farmland Project.)

SGPB group promotes technology-sharing

Helping Southern states reap the benefits of developing technologies will be the goal of a new regional organization under the Southern Growth Policies Board (SGPB).

The Southern Growth Policies Board, authorized by the SGPB and appointed by the governors of participating states, will recommend and initiate programs to encourage technological innovation and business formation. It also will seek to identify and expedite the development of technology.

The Council will investigate ways to use resources more efficiently through pooling and cooperation, and will attempt to bring together representatives of the sources of technological capital, and the producers and users of technology.

Eleven states represented to the initial meeting of the Council. Through the Council, the states-Alabama, Florida, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee and Virginia-will be able to build upon each other's strengths and learn from each other's successes and failures. Questions regarding the Southern Technology Council could be directed to the SGPB, P. O. Box 12293, Research Triangle Park, NC 27709.

CAPSULES is published periodically by the Southern Rural Development Center as an information service for educators, researchers, policy officials and private citizens interested in improving the quality of life in the small communes and rural areas of the South.

The Southern Rural Development Center is one of four regional rural development centers in the nation and focuses specifically on rural problems of the Southern region. The Center is located at Mississippi State University and provides support staff to the extension services and experiment stations of 29 land-grant universities in 13 Southern states, Puerto Rico and the Virgin islands.

Dr. H. Doss Bradnaxxixxixxxxi...Director Jane Rendroixxxx...Editor Sande Markley...Editorial Assistant

NATI's Stark explores revolving loan funds

Can something that revolves move a community progressively forward? It can, if it's called a revolving loan fund.

According to Nancy Stark of the National Association of Towns and Townships (NATI), the need of small independent corporations and area-wide commissions is setting revolving loan funds in motion. Stark's exploration of loan funds in detail in her article, "Financing Technique Creates Jobs in Towns, Townships," published in the May 1986 Economic Development Townscape, a supplement to NATI's National Community Reporter.

Revolving loan funds may furnish direct loans to eligible businesses (independently or jointly, with a local lender), guarantee loans made by private lenders, assist in training, aid in marketing, provide technical assistance, and define eligible activities. For what purposes may fund dollars be lent? For startup, refinancing, land and equipment purchase, business start-up and refinancing.

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Set loan terms. Set parameters for size, interest rates, payment schedule, and collateral status of loans. Limits on loan size are helpful in spurring competitive bidding as well as possible and encouraging leverage deals.

Adopt review system. Assess project feasibility and analyze credit risks by answering the following questions: Does the business' project match the fund's objectives and fall within the project's scope? Does the firm appear solid in need of assistance and credit? Is the project economically sound? Does the firm appear solid in need of assistance and credit?

Set selection criteria. Devise selection criteria that judge one proposal against another. In making tough decisions, the fund's key objectives should be constantly in view.

For more information, contact Nancy Stark, NATI, 1922 K St., N.W., Suite 710, Washington, DC 20005; (202) 737-5200.
Urban development threatens high-value farmland

A new study by the American Farmland Trust (AFT) finds that urban development threatens 11 of the high value farmland counties in the U.S.

Focusing on those counties which produce the highest value of farm products, the study notes that 640 counties produce nearly half the total dollar value of agricultural production. The counties comprised only one-fourth of available farmland. Fifty-eight percent of these counties are either within or near to metro areas.

Rural economies benefit from service industries

Small towns in pursuit of economic development should work at luring service industries, according to Stephen M. Smith. "Downtown Economics with Nonmanufacturing Industries," Smith documents the general belief that service industries do not generate investment or employment on their own through the sale of products outside the area.

In fact, Smith suggests, not only can service industries generate employment and local income, they are usually cleaner and smaller than factories so that they blend in with the local economy rather than dominating it.

Smith is associate professor in the Department of Agricultural Economics at the University of Florida. The piece appeared in the October 1985 issue of Rural Development Perspectives.

Service industries, in general, economic trends indicate that attracting traditional manufacturing jobs to an area is much more difficult now than in the past.

Not counting government employment, over half of all U.S. employment is in private services industries. Some indicators indicate that service industries could generate up to 80 percent of all new jobs over the next 10 years. On the other hand, there will be fewer new jobs in manufacturing.

Another advantage of service industries is the fact that they usually do not require the provision of new and expensive infrastructure such as sewer, water and access roads. Instead, they can often function effectively in renovated buildings and other existing sites unsuitable for factories. For example, they may be ideal for downtown renewal projects.

High-value farming counties within metropolitan areas are growing three times faster than the average for farm counties. To underscore the problem, AFT has produced a color-keyed map for local and state officials to help judge land use decisions for their communities.

Margaret Maizel, director of the study, points out that farmland is being replaced by farmland, that farmland lost to urban development is impacted by some uncontrollable external factors, such as climate, soil and terrain. She hopes that the map will encourage decision makers to look carefully at all the options before proceeding with irrevocable choices.


(Extracted from "News & Notes," a publication of the National Association of Regional Councils.)

Incubators...

(continued from page 1)

locations may preclude the establishment of some businesses. For example, high transportation costs or poor transportation networks may prove disadvantageous to a firm located in a small town. The availability of certain business services or suppliers may also make the location of some businesses nonviable.

However, smaller towns may have several advantages. For example, the availability of inexpensive vacant commercial and industrial space, some of which could be transformed into incubator space. For example, when the main employer in Girard, Penn. (pop. 2,600), closed its factory, a substantial number of workers were out of work. However, the town purchased the vacant factory for use as an incubator.

Additionally, the economic decline of some areas may actually increase the number of people who are receptive to the concept of creating their own business opportunities, and an incubator may provide them with the needed assistance.


Names in the news...

* LEO C. CHAVOUS has been named director for 1989 Research and Extension programs at South Carolina State College.

* DR. JAMES M. DAVIDSON was named dean for research, Institute of Food and Agricultural Sciences, University of Florida, effective April 18, 1986. He succeeds the late Dr. F.A. WOOD.

* DR. W. C. GODLEY, associate dean and director of the South Carolina Agricultural Experiment Station (SCAES), retired June 30. He will continue to serve on the SCAES Research Committee.

It's an idea...

* The Children's Hospital at Stanford is initiating a mobile unit for clinic and assessment of children's health needs.

Sunbelt leaders open policy research center

Sunbelt members of Congress joined corporate and academic leaders from the South and Southwest to open the Sunbelt Institute in Washington, D.C., in April.

The Institute is a privately funded research center designed to assist members of Congress and other Sunbelt leaders in analyzing the regional implications of proposed federal legislation and policies.

The Institute will also work to develop policies that are designed to improve the quality of life in the region. It will work closely with the private sector, state and local officials, and academic leaders in planning a research agenda.

Rep. Buddy MacKay (FL) is chairman of the Sunbelt Council Task Force, which is raising funds for and overseeing the work of the Institute. The fund-raising campaign has brought in more than $300,000 in matching gifts from 13 corporations.

The Institute will serve Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia.

The acting director, Keith E. Henderson, has opened temporary headquarters in the Southern States Experiment Station, 444 N. Capitol St. N.W., Suite 240, Washington, D.C. 20001. For more information, call Henderson at (202) 624-5897.

(Condensed from an article in the May 16, 1986, issue of Southern View, a publication of the Washington Office of the Southern States' Organizations.)
On Schedule

ANNUAL CONVENTION OF THE NATIONAL ASSOCIATION OF TOWNS AND TOWNSHIPS (NATAT), Sept. 3-5, Washington, DC. The agenda will feature commemoration of the association's tenth anniversary, a general session addressed by top government leaders, educational workshops, a rally on Capitol Hill, special break-out sessions on preserving the parks of the 1968 Erie Durenerbar Grassroots Government Leadership Award and question-and-answer sessions. For details, contact NATAT, 1522 K St., N.W., Suite 730, Washington, DC 20005 (202) 624-7806.

NATIONAL WORKSHOP ON RESURGENCE IN RURAL AMERICA MANDATE FOR COMMUNITY LEADERSHIP, Sept. 8-10, Fort Mitchell, KY. Intended for forward-looking leaders of rural communities, this program will address the field of leadership. For more information, call Ron Williams of the Cooperative Extension Service at Kentucky State University at (502) 565-5660.

SOUTHERN REGIONAL AGRICULTURAL OUTLOOK CONFERENCE, Sept. 29-Oct. 1, Atlanta, GA. For more information, contact the Southern Rural Development Center, Box 5466, Mississippi State, MS 39762, (601) 325-3207.

NATIONAL RURAL AND SMALL SCHOOLS CONSORTIUM (NRSSC) ANNUAL CONFERENCE, Oct. 7-10, Boston, MA. Theme: "Innovative Programs, Research and Technologies in Rural Education." For more information, write to NRSSC, 3650 Capitol Hall 3525, Northwestern University, Bellingham, WA 98225, or call (206) 676-3576.


SUNBELT AGRICULTURAL EXPOSITION, Oct. 16-18, Columbus, OH. For more information, write the Sunbelt Agricultural Exposition, Inc., P.O. Box 1209, Tifton, GA 31793 or call (404) 385-3345.

RURAL CONSERVATION, THE PROBLEMS AND POSSIBILITIES, Oct. 15-19, Kansas City, MO. A special program, sponsored by the National Trust for Historic Preservation (NTHP) as part of the 40th National Preservation Conference. For more information, contact the Center for Preservation Conferences, NTHP, 1785 Massachusetts Ave., N.W., Washington, DC 20036.


RURAL EDUCATION CONFERENCE, Oct. 27-28, Manhattan, KS. Theme: "Rural Education: A Proud Heritage, a Bright Future." For more information, contact the Center for Rural Education and Small Schools, Blumont Hall, Kansas State University, Manhattan, KS 66506.

COMPETITIVE POSITION OF SOUTHERN AGRICULTURE IN A WORLD ECONOMY, A REGIONAL CONFERENCE, Nov. 6-8, Atlanta. Sponsored by the Southern Rural Development Center (SRDC), Southern Extension Marketing Committee, Southern Extension Public Affairs Committee, Farm Foundation and Consortium for International Cooperation in Higher Education. For more information, contact the SRDC, Box 5466, Mississippi State, MS 39762, (601) 325-3207.

63RD ANNUAL NATIONAL LEAGUE OF CITIES AND EXPOSITION, Nov. 29-Dec. 3, San Antonio, TX. Theme: "Chartering the Way to America's Future." For information, contact the NLG Conference Registration Center, International Exposition, Hertz Interational Airport, Washington, DC 20041.

44TH PROFESSIONAL AGRICULTURAL WORKERS CONFERENCE (PACM), Dec. 7-9, Tuskegee University, AL. Theme: "Cherishing in the 21st Century--Emphasis on the Rural South." For further information, contact Dr. T. Williams, Director of Human Resources Development Center and PACM Program Coordinator, Room 101, Tuskegee University, Tuskegee, AL 36088, (205) 727-8764.

NATIONAL SYMPOSIUM ON RURAL ENTREPRENEURSHIP, Feb. 10-12, Knoxville, TN. Sponsored by the Rural Development Committee of the Valley Authority, USDA Economic Research Service, USDA Extension Service and regional rural development centers. For more information, contact the Southern Rural Development Center, Box 5466, Mississippi State, MS 36762, (601) 325-3207.

In Print

A Basic Budget Guide for Small Cities and Counties, by Arthur B. Mohor Jr., is a simple, easy-to-follow guide to preparing an annual operating budget. Included is advice on how to set up a budget schedule, classify expenditure accounts and prepare a budget for cash, capital outlay, financial, and other operating accounts. For the latest budgeting practices, resolution and message are also included. Available for $6 from the Carl Vinson Institute of Government, Publications Program, Terrell Hall, University of Georgia, Athens, GA 30602, (404) 542-2736.

Capital Improvement Programming: A Process for Developing Capital Spending, by Anne Gabbard, Mountain Association for Community Economic Development, 520 Main St., Berea, KY 40403, (606) 986-2373.


Looking Forward: Visions of the Future of the South is the second annual report of the Southern Growth Policies Board (SGBP) Committee on Southern Trends. The report outlines issues or trends likely to affect the economic development of the region over the next 20 years. Copies are available for $3 plus postage from SGBP, P.O. Box 12293, Research Triangle Park, NC 27709, (919) 549-8167.

The State Role in Agricultural Trade Promotion is a report by the Southern Growth Policies Board (SGBP) describing a global transformation of agriculture into a high-technology-driven industry. The report recommends that state governments respond with aggressive new programs in agricultural development. Available for $3 plus postage from the SGBP, Research Triangle Park, NC 27709.

Understanding Your Local Economy: Economic Base Analysis and Local Strategies, by Bruce A. Weber, explains the process of local economic analysis. Illustrated with examples from small to mid-sized communities, it illustrates several simple techniques for estimating the local economic base and suggests how information on economic structure can be used to help select more promising economic development strategies. Copies may be obtained for $1 from the Western Rural Development Center, Oregon State University, Corvallis, OR 97331, (503) 754-3621.
States offer economic development courses

Southern states—among them Alabama and Florida—are working to assure themselves of a cadre of well-trained economic development leaders to guide their economic growth in the future.

In both Alabama and Florida, intensive economic development training courses are being offered to anyone connected with or interested in economic development.

Funding for the Alabama course is provided by the U.S. Department of Housing and Urban Development, Alabama Department of Economic and Community Affairs, and Alabama Development Office.

The Alabama course, taught at Auburn University, is the first one in the state to be accredited by the American Economic Development Council (AEDC).

Similarly, county commission chairmen, industrial board members, chamber of commerce executives and other local officials.

The course is taught by instructors from all over the U.S., who make every attempt to tailor the course to Alabama conditions.

For information, contact Wilson Lee, 216 Extension Hall, Auburn University, AL 36849, (205) 826-8968.

The tenth Florida Basic Economic Development Course (BEDC), slated for the week of Nov. 2-7, 1986, is co-sponsored by the College of Business Administration at the University of South Florida and the Florida Industrial Development Council.

Also accredited by the AEDC, the Florida course is designed to serve the needs of both full-time practitioners and those in ancillary positions.

The national scope of the Florida BEDC has consistently drawn participants from around the country representing federal, state, regional and local planning and development agencies, financial institutions, public utilities, industrial realtors, chambers of commerce, committees of 100, transportation authorities and developers.

For information, contact the Professional Development Center, College of Business Administration, University of South Florida, Tampa, FL 33620.

Global, Southern economies increasingly connected

Seldom if ever has the global economy played such a major role in the South's economy as it does today, and it is likely to play an even larger role in the future, according to Jeffrey S. Arpan.

Citing the need to adapt and plan for the increased internationalization of the South will be foolish at best, and suicidal at worst, Arpan says, "Arpan in his May 1986 paper for the Southern Growth Policies Board entitled "International Trends and Policy Implications." Arpan is professor and program director of international business for the University of South Carolina College of Business Administration.

Arpan suggests that although international trends had a net favorable impact on the South during the 1960s and 1970s, the impact was unfavorable during the first half of the 1980s, and the outlook for the future may be worse.

"Over the next ten years, I would forecast the outlook as being more cloudy than sunny, and for some Southern-based industries, downright stormy," he says.

According to Arpan, it is imperative that future policy decisions for the region take into account the implications of global trends. He offers the following suggestions to Southern businessmen and policymakers interested in improving the ability of the South to compete internationally:

- Attract foreign investment to the South. Foreign investors in the U.S. typically bring with them the newest technology, knowledge and expertise, especially about exporting and other forms of doing business internationally.
- Scan the global environment for new technologies and business techniques, and whenever possible, adopt and/or adapt them.
- Attend foreign industrial exhibitions and conferences, read foreign technical and business publications, and seek joint venture and licensing arrangements with foreign firms.
- Hire personnel with international expertise, and establish closer ties and arrangements with academic institutions with scientific and international business expertise to obtain information and provide training.
- Work more closely with appropriate state and federal agencies to stay informed about potential international business opportunities and threats.

(Continued on page 5)

CSG policy forum aims to ease rural stress

Finding strategies for states to use in helping farmers, farm families and rural citizens combat stress will be the goal of a policy forum set for Nov. 13-14 in Atlanta.

The Center for Agriculture and Rural Development of the Council of State Governments (CSG) will host the policy forum.

The meeting is co-sponsored by the National Institute of Mental Health, Southern Legislative Conference and National Association of State Mental Health Program Directors.

State government leaders, university Extension representatives and mental health professionals are invited to attend and participate in developing recommendations for the future.

Registration fee is $50. For more information, contact Ken Fern, CSG Southern Office, 338 Peachtree Rd., N.E., Suite 830, Atlanta, GA 30326, (404) 266-1271.
Rural, urban areas adopt right-to-know ordinances

New "right-to-know" ordinances in some areas are forcing users of pesticides to adopt good neighbor policies.

The ordinances state that certain people and institutions be notified when pesticides are to be used.

The ordinances attempt to prescribe when and how pesticides are to be used.

No matter whether the pesticides are to be applied in rural or urban areas, the pursuit of the right-to-know informational option is on the rise.

The Texas Department of Agriculture implements public health and safety standards last year that included a right-to-know provision.

In Montgomery, Maryland, the county council recently passed its own right-to-know pesticide ordinance specifically aimed at pest control applications on lawns. The impetus for this ordinance came from a local garden club concerned about increased evidence of pesticide misapplication on lawns. A national garden club organization is now developing an education program about the Montgomery effort.

A model local right-to-know ordinance has been prepared by the Institute for Public Representation of Georgetown University Law Center.

For more information, contact the National Association of State Development Agencies (NASDA), Research Foundation, Farmington, PA 17327, and the Washington, DC center.

Young adults actively engaged in farming or affiliated agricultural businesses in Oklahoma can enhance their leadership skills through participation in the Oklahoma Agriculture Leadership Program.

The program provides a select group of young Oklahomans with the training and experience to assume leadership roles in the state.

To develop state leadership council, the program aims to achieve the following objectives for participants:

- Increase knowledge of Oklahoma's agricultural industry in relation to local, state, national, and international issues.
- Expand understanding of the nation's economic, political, social, and cultural environment and how they affect agriculture in Oklahoma.
- Broaden perspectives on the major issues affecting agriculture and the U.S.;
- Increase abilities to analyze and react to the complex problems facing Oklahoma agriculture and its rural areas.

* add to leadership involvement and activities at the local, state, or national level.

Oklahoma agriculture and its rural areas will benefit from Oklahoma agriculture.

Topics addressed in the two-year program include leadership, personal growth, communications, economics and policy, international trade, and institutions and agencies serving Oklahoma agriculture, family strength, urban understanding, state and national government, water, energy, and other major issues affecting Oklahoma agriculture.

The intensive study program involves several sessions throughout the state, including on-site tours and study of both agriculture-related and other businesses and industries. Participants also attend an international seminar.

For more information, contact William F. Taggart, Director, Oklahoma Agriculture Leadership Program, Oklahoma Cooperative Extension Service, Oklahoma State University, Stillwater, OK.

CAPSULES is published periodically by the Southern Rural Development Center as an information service for educators, researchers, local officials and private citizens interested in improving the quality of life in the small communities and rural areas of the South.

The Southern Rural Development Center is one of four regional rural development centers in the nation with the mandate to focus on rural problems of the Southern region. The Center is located at Mississippi State University, and provides support staff to the extension service and experiment stations of 29 land-grant universities in 13 Southern states, Puerto Rico and the Virgin Islands.

Dr. H. Dante Brodmann

Editorial Assistant

Dr. Jane Rendell

Editor

Sandy Markley

Southern states move to improve rural economies

New strategies to improve agricultural and rural economies are coming not from Washington, DC, but especially from states, according to Sarah Neal.

In "Rural Projects of New Southern Strategy," an article in the September 1986 issue of Southern Business, Neal presents the following examples of recent efforts by Southern states to revive their rural economies:

- States can help rural communities by easing the process of decline and helping displaced workers find new jobs in other locations.
- States should have a strong understanding of the kinds of products and services their rural communities can produce profitably.
- States should support scarcer business and financial initiatives unavailable to potential private investors to upgrade their products and lines to become more competitive.
- States need to assure that new rural businesses get adequate management and marketing help, including business training programs at the local level or an inventory of services which would increase awareness of existing programs and identify any gaps.
- States should adopt strategies to support part-time farming. For the majority of farms, continuing to live on the farm will not be possible without supplemental income.
- States need to slow the loss of population from declining farm incomes and relieve the pressure of unemployment elsewhere.

Southern states move to improve rural economies

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Editorial Assistant

Virginia joined other Southern states with programs to revitalize off-farmers' markets by creating Farmers' Market Boards in 1985. The board will study and establish local markets for Virginia-grown crops and products.

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FORESTY POLICY

In West Virginia, much commercial timberland has been lost to pasture land over the years. The 1985 legislature, however, recognized trees as a crop, moving the state forestry agency to the domain of the state agriculture department. New policies have been enacted reflecting the state's new philosophy that forestry products require protection, processing and marketing, and that trees as a renewable resource require selective cutting and planting. The new approach has already paid off in terms of the state's timber, currently valued at $650 million.
Local business climates measurable, controllable

Sprucing up the business climate of a local community may lead to the attraction of new businesses. A community's business climate is not only quantifiable, it is also controllable, according to Don Sargent, a Wisconsin Extension resource specialist.

He suggests the following as factors that might be used to evaluate a local business climate:

- equalized property tax per $1,000 valuation;
- total local taxes per capita;
- total police officers per capita;
- total full-time fire department personnel per capita;
- teacher-pupil ratio in public schools;
- average per capita public capital investment expended over the past ten years;
- miles of road improvement per year per registered motor vehicle;
- ratio of change in local government spending to change in per capita local income;
- change in the number of people employed per capita or per business;
- ratio of local public debt to property citizen's valuation.

New strategies promote Southern rural development

Although "landing a big one" is still the essence of economic development in the South, development strategists increasingly acknowledge the need for new development strategies. Despite continued notable accomplishment in the development of the rural South, industrial recruitment is just one of many potential sources of employment for the region's communities. Creating new small and medium-sized businesses in contrast to providing businesses and preventing closings of troubled but viable businesses can also boost employment.

The purpose of these and other alternative development strategies is to stimulate economic activity in rural communities in taking advantage of local opportunities for development. This can be achieved through provision of valuable services to local communities and entrepreneurs, such as the following:

- planning and organizing, including market research and community education;
- providing technical assistance and financing for new and expanding local businesses;
- becoming directly involved in enterprise development.

In contrast to the single-minded activity of traditional industry recruitment, alternative approaches to economic development employ a variety of strategies which can be tailored to local needs, goals and opportunities.

These strategies can utilize specific types of businesses (worker-owned, cottage industries, cooperatives, traditional small businesses), special use of local forest or water resources as well as underdeveloped historical, scenic or recreational attractions. It can also involve (unemployed and underemployed workers, including minorities, women, youth) or unskilled and uneducated workers or unskilled and uneducated workers.

Other strategies seek to provide local communities needed services such as housing, medical services, transportation or day care. Still others are aimed at specific populations - that is, educational or vocational training.

While the strategies are varied, there is a common thread in each case: a local or regional organization or official knows the area and involves a cross-section of its citizens. In fact, such organizations provide the key to success in implementing alternative strategies for economic development.

Local development organization can take a variety of forms, including that of a council of government or similar regional planning organization, a chamber of commerce, an economic development agency or other community-based group, an industrial development commission, or an educational institution.

Four-year colleges and universities, in fact, have proved to be particularly powerful economic developers, both by their own activity, conducting market research, applying technological innovation and providing expertise and development to businesses and communities.
6

On Schedule

NATIONAL RURAL AND SMALL SCHOOLS CONSOLIDATION (NRSRC) ANNUAL CONFERENCE, Oct. 7-10, Bellingham, WA. Theme: "Innovative Programs, Research and Technologies in Rural Education." For more information, write to NRSRC, Miller Hall 350, Western Washington University, Bellingham, WA 98225, or call (206) 777-3576.

ANNUAL MEETING OF THE RURAL COALITION, Oct. 8-11, National 4-H Center, Washington, DC. Theme: "Moving for Rural Change." For more information, write to MESSE Conference, Miller Hall 350, Western Washington University, Bellingham, WA 98225, or call (206) 676-3576.

7TH RURAL EDUCATION ASSOCIATION NATIONAL CONFERENCE, Oct. 11-14, Little Rock, AR. Theme: "Rural Schools: The Quest for Excellence." For more information, contact Leon McClure, Superintendent, Griffithville School, Box 45, Griffithville, AR 72636, (501) 323-4533.

SUNBELT AGRICULTURAL EXPOSITION, Oct. 14-16, Mobile, AL. For more information, write the Sunbelt Agricultural Exposition, Inc., P.O. Box 1299, Tifton, GA 31702, or call (706) 386-3459.

RURAL CONSERVATION, THE PROBLEMS AND POSSIBILITIES, Oct. 15-19, Kansas City, MO. A special program, sponsored by the National Trust for Historic Preservation (NTHP) as part of the 60th National Preservation Conference, is open to the public. For more information, contact the Center for Preservation Conferences, NTHP, 1755 Massachusetts Ave., N.W., Washington, DC 20036.

NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS (NADO) ANNUAL CONFERENCE, Oct. 26-28, Mobile, AL. Theme is "Rural Development: Strengthening America's Foundation." For information, contact NADO, 400 N. Capitol St., N.W., Suite 372, Washington, DC 20001, (202) 624-7806.

RURAL LIBRARY EDUCATION CONFERENCE, Oct. 27-29, Manhattan, KS. Theme: "Rural Education: A Proud Heritage and a Bright Future." For more information, contact the Center for Rural Education and Small Schools, 208 Blumberg Hall, College of Education, Kansas State University, Manhattan, KS 66506.

SOUTHERN REGION EXTENSION COMMUNITY DEVELOPMENT WORKSHOP (SREDW), Oct. 28-30, Tuscaloosa, AL. Intended to provide area-wide awareness, orientation and training on "State-of-the-art" Extension community development programs, policies and directions. For information, contact the Southern Rural Development Center, P.O. Box 5406, Tuscaloosa, AL 35401, (205) 323-3037.


COMPETITIVE POSITIONING OF SOUTHERN AGRICULTURE IN A WORLD ECONOMY, A REGIONAL CONFERENCE, Nov. 4-6, Atlanta. Sponsored by the Southern Rural Development Center (SRDC), Southern Extension Marketing Committee, Southern Extension Public Affairs Committee, Farm Foundation and Consortium for International Cooperation in Higher Education. For more information, contact SRDC, P.O. Box 5406, Tuscaloosa, AL 35401, (205) 323-3037.

BRINGING TOURISTS TO TOWN: HOW HISTORIC RESOURCES CAN HELP, Nov. 12-14, Morrison, IN. Workshop sponsored by the National Trust for Historic Preservation (NTHP) and Tennessee Valley Authority. For more information, contact Susan Kidd, Southern Regional Office, NTHP, 456 King St., Charleston, SC 29403, (803) 724-4711.

630TH ANNUAL NATIONAL LEAGUE OF CITIES AND EXPOSITION, Nov. 20-23, San Antonio, TX. Theme: "Rural America's Future." For information, contact the NLC Conference Registration Center, P.O. Box 17413, Dallas International Airport, Washington, DC 20010.

4TH PROFESSIONAL AGRICULTURAL WORKERS CONFERENCE (PACW), Dec. 7-9, Tuskegee University, AL. Theme: "The 21st Century—Ephalons on the Rural South." For further information, contact Dr. T. W. Williams, Director, Human Resource Development, Tuskegee University, Tuskegee, AL 36088, (205) 727-6770.

WESTERN REGIONAL EXTENSION WINTER SEMINAR, Jan. 21-23, University of Arizona, Tucson. For information and registration, contact J. A. Williams, University of Arizona, Tucson, AZ 85721.

ALTERNATIVE FARMING OPPORTUNITIES FOR THE SOUTH, Jan. 26-28, Mississippi State University. This conference is to identify and examine farming opportunities that enhance farm profitability. Sponsored by the Southern Rural Development Center (SRDC), Farm Foundation, Tuscaloosa, AL.

Small talk on big issues...

- An Alternative Farming Systems Information Center has been established by the National Agricultural Library (NAL) to focus on non-traditional agricultural practices and systems and emphasize livestock, resources-conserving farming and marketing. For information, contact Jane Maclean or Karl Schneider, Alternative Farming Systems Information Center, Room 211, NAL, Beltsville, MD 20705, (301) 504-7304.

- More farmers left farming last year—especially in the South and West—and the farm exodus is expected to continue, according to a recent Census Bureau report. The farm population fell 7 percent in 1985 to 5.35 million, the Census Bureau reported. In the South and the West, the farm population declined 16 percent as many marginal, part-time farmers left as debts rose. The trend to fewer but bigger farms also continues, according to an Agriculture Department analyst. Farm size is up from an average 472 acres in 1980 to 462 acres in 1985.

- Florida, North Carolina, Georgia and Mississippi are among the top ten states with the best business climates, according to a study by Grant-Thorton, an accounting and management consultant firm based in Chicago. The states rank sixth, seventh, eighth and tenth, respectively. Rankings of the other Southern states include the following: South Carolina, 11th; Virginia, 12th; Tennessee, 13th; Arkansas, 14th; Texas, 15th; Oklahoma, 21st; Alabama, 22nd; Kentucky, 23rd; and Louisiana, 25th.

- Under the leadership of the Helpful Counties, Tennessee, Rural Development Committee, projects including an annual farm tour, a countywide fair and special newspaper coverage of rural issues have greatly benefited all the citizens of the county. As a result, the Committee was honored with the 1985 State Rural Development Committee award.

- Community based organizations are effective and viable entities within rural and urban communities throughout South Carolina, according to a study conducted by Margaret Rogers Howie, a social scientist at Clemson University. Investigators of an 1890 research project entitled "Socioeconomic Characteristics of Poverty in South Carolina." According to Howie, 88.9 percent of the 573 agency users surveyed reported a great degree of satisfaction after utilizing the services of community based organizations.
Will you help?

We are asking for your assistance in evaluating the effectiveness of *Capsules*. Please take a moment to respond to the following survey. Then clip and return to: Jane Rendefio, Southern Rural Development Center, Box 5446, Mississippi State, MS 39762.

Do you find *Capsules* useful in your work?  
- Very Often  
- Often  
- Sometimes  
- Never

On a professional level, do you find *Capsules* interesting?  
- Very Often  
- Often  
- Sometimes  
- Never

How frequently do you use each of the following *Capsules* features?  
- Stories  
- On Schedule  
- In Print  
- On Film  
- Small Talk on Big Issues  
- Names in the News

If you do use *Capsules*, how or for what do you use it?

Any other comments/suggestions?

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**Southern Rural Development Center**

P. O. Box 5446  
Mississippi State, MS 39762

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**Symposium to examine rural entrepreneurship**

Experts from the research and extension communities and other organizations interested in rural development and entrepreneurship will meet in Knoxville Feb. 10-12, 1987, at a national symposium on rural entrepreneurship.

Sponsors include the USDA Extension Service, Tennessee Valley Authority (TVA), Farm Foundation, USDA Economic Research Service and the regional Rural Development Centers.

The symposium is designed to:
- determine the current state of research on entrepreneurship, especially as applied to rural areas, and identify research and data gaps that inhibit development of effective policies to promote entrepreneurship;
- discuss methods and techniques for addressing the entrepreneurship issue;
- identify and share successful extension and other programs supporting rural entrepreneurship;
- share ideas and research findings that provide the basis for new or modified programs and approaches that promote or improve the prospects for successful entrepreneurship; and
- determine the potential for rural entrepreneurship to help in solving the rural and farm family income crisis.

Conference registration will be handled by the Southern Rural Development Center, Box 5446, Mississippi State, MS 39762, (601) 325-3207. A registration fee of $35 covers refreshments, reception, handout materials and a printed symposium proceedings. The registration fee is refundable if notice of cancellation is received three days prior to the workshop.

Hotel reservations should be made directly with the Radisson Hotel, 601 Summit Hill Dr., Knoxville, TN 37901, (615) 522-2600. Reservations should be made in the name of "National Rural Entrepreneurship Symposium." To receive special rates of $30 for a single and $44 for a double. The reservation cut-off date is Jan. 19.

The conference will be held at TVA headquarters in downtown Knoxville, directly across the street from the Radisson. Exhibit space will be available on a first-come, first-served basis. Display materials can be mailed to the Radisson Hotel to the attention of Mary Ann Green.

Fiscal impact models to be workshop focus

Fiscal impact models for use in individual Southern states will be the topic of a training and planning workshop slated for Feb. 5-6 in Nashville.

Intended for researchers and Extension specialists, the workshop will be conducted by Dr. Thomas Johnson of Virginia Polytechnic Institute and State University (VPISU).

In addition to providing information, demonstrations and training regarding the use of modelling techniques, Johnson hopes to create a network of interested professionals from the South to promote the development and sharing of state and sub-state fiscal impact models throughout the region.

A second workshop will be offered 18 months later to share Extension programs and workbooks developed over the intervening period.

Johnson is offering the workshops in (Continued on page 6)
New magazine provides home-based business news

Living in rural areas are looking for new enterprises that can help diversify their operations and substantially increase their cash flow.

Rural Enterprises offers a wide variety of practical, in-depth stories and serves as a clearinghouse of resource information to help rural entrepreneurs establish a small or large home-based business. The magazine also provides the latest information on alternative crops and livestock, as well as tips on taxes and recordkeeping, financing, establishing mail order businesses, pricing products, franchising and advertising and insurance needs for rural, home-based businesses. The magazine is published four times a year. The introductory subscription price is $8.95/year. For additional information, contact Ohe, Editor, P.O. Box 878, Honeycomb Falls, WI 53051, (414) 255-0106.

States develop rural fire defense programs

Rural areas of Oklahoma without fire services are the target of a new rural fire defense program.

The program is designed to reduce fire hazards and insurance premiums in isolated rural areas without fire services. The program is also designed to help rural areas expand their economic development programs.

Starting with a demonstration grant from the Federal Emergency Management Agency, the Central Oklahoma Economic Development District has been able to expand the program with state funding to cover all but three of the 23 counties in the state.

Program projects include organizing new rural fire districts, helping to obtain equipment for the rural districts, testing and upgrading existing rural fire equipment, and educating district staff members.

One of the most important elements in the program is the need to obtain new fire protection equipment, since this is one of the biggest expenses.

The council has been successful in obtaining used equipment from the U.S. Fire Service under a federal program. The council also has organized a community for conversion to fire equipment storage and ladder trucks.

The government retains title to the equipment, and the costs of purchasing the equipment is subsidized.

Similar rural fire defense programs are underway in North Carolina and California. (Extracted from the Oct. 24, 1986, issue of News & Notes, a publication of the National Association of Regional Councils.)

Study analyzes U.S. farm population trends

Analysis of current demographic and economic trends in the U.S. farm population reveals that the farm population is declining in the farm population since 1980.

The decline represents the first significant annual decline in the farm population since 1980.

The Southern and Western regions of the nation, where farm populations declined 16 percent, experienced the largest loss.

The analysis was conducted by Judith Kelberman of the USDA Economic Research Service and Diane De Are of the U.S. Bureau of the Census. Results of the study have been published in a report entitled Farm Population of the United States: 1985.

According to the report, about one in every 11 people, ages 5 and older, of the nation's population, lives on farms last year.

A farm is defined as the place where at least $1,000 of annual sales of agricultural products is made. The farm population consists of farm residents in rural areas but is not limited to farmers and their households.

In 1985, only half of all employed farm residents, including part-time workers, had jobs that were related to agriculture.

Researchers discuss prospects of black farmers

Rural development programs designed to increase job opportunities in slow-growing areas of the South rural South could contribute to the continuing decline of black farmers, according to Herman Bluestone.

Bluestone, who is a researcher for the Economic Research Service (ERS), suggested that since small farmers depend on nonfarm jobs for most of their income, the ERS might do more to enable them to continue farming than any expansion in traditional farm programs.

According to Bluestone, from the perspective of a policy maker, black farmers might be divided usefully into two groups with distinctly different sets of needs: (1) in the elderly, those who are approaching retirement age; (2) younger blacks who are actively engaged in agriculture; and (3) young people considering farming as a career.

ERS researchers Robert Hoppe and Vera Banks presented the results of the two studies.

Hoppe reported on the social and economic environment of black farmers. He emphasized that while black farmers are concentrated in Southern areas with social and economic problems, Hoppe noted that they are benefiting from the agency's increased participation in the nation's economic growth and development, many limited-resource black families find it difficult to adequately supplement farm income from off-farm jobs.

Hoppe also pointed out that socioeconomic conditions of blacks vary considerably by income levels and by the type of farm. For example, conditions of those who live on Delta farms over half of all blacks lived in poverty in 1980.

Vera Banks provided information on black farmers and their farms. It was found that the historical developments that have caused the number of black farmers to decline more rapidly than white farmers. Banks predicted a substantial further decline in black farm numbers since few young black farmers are entering agriculture.
A recent study reveals that rural areas have the same difficulty obtaining information that they have in securing other vital resources.

According to Brian Harmon and James F. Krile, both of whom are in the rural sociology department at the University of Minnesota, the better the information flow in and out of a rural community, the greater the capacity of the community to define local problems and generate solutions.

However, the results of a study they conducted in spring 1985 suggest that as with most other basic resources, information is not evenly distributed throughout society. Control of information appears to be centralized in metro areas.

During the study, data was obtained from 310 survey respondents who represented Minnesota rural community organizations, mass media, local governments, professions, industries, neighborhoods, and financial and agricultural concerns.

According to Harmon, Krile, respondents showed a sharp imbalance between the amount of information that flows in rather than out of the local area. Over three-fourths of all respondents indicated that the people they represented were 10 or more miles away from the local area to obtain information. In contrast, respondents said their organizations could not easily provide information to areas outside the local community. Only a third of all respondents believed that they were likely to provide information to areas outside the local community.

In addition, the study found that to meet extralocal information needs, respondents planned to list those sources of information most often used in rural areas, expenditure, and information about new local government agencies, most of which are located in urban areas, according to the elderly and handicapped. For example, community transit systems supported through UMTA Sec. 18 and 16(b)2 programs hardly begin to address the needs of the 35 million older Americans, 6 million disabled people, 26 million other individuals who are poor, and 61 million rural residents, and a third or more of the nation’s population. On the average, this figure is three vehicles for every 10,000 rural residents and urban elderly and handicapped residents.

Already community transportation represents a $1.9 billion industry, but according to the AARP, this figure is growing. The size of the current community transportation fleet has to one-fifth of the number of public transit vehicles in the nation. By that time, rural residents will make up 35 percent of the country’s population. In addition, the number of older also also will have increased. Currently, in most local support have increased dramatically over the past two years. The largest share of financial support continues to come from a combination of federal programs. While support from UMTA represents 7 percent of total funding, assistance from many other federal programs provides more than 50 percent. Major sources of revenue include Medicaid, Head Start and programs for the elderly.

It's an idea...

A new “Rural Industrial Assistance Act of 1986,” PL-99490, authorizes the Secretary of Agriculture to make grants totaling $1.5 million to encourage the development of rural areas by promoting the development and commercialization of new products that can be produced in rural areas and new processes that can be used in such productions. Grants may be made on a competitive basis. The program will be implemented as follows: for more information, contact either Beth Walter Honadle or Theodore Maher, (202) 447-7185.

Rural, special transit industries grow quickly

Community-based rural and specialized transportation systems represent the fastest growing segment of the transit industry in the country. According to the recent Rural Transportation Reporter article.

The article, "Community Transportation: A New Trend in Rural America," by James F. Krile, covered the growing interest in rural America of community transportation systems and suggested that the trend was likely to continue. The article discussed the trend of providing information to rural communities.

For example, the most recent figures published by the American Association of State Highway and Transportation Officials show $161 million in state and local aid going to nonurban public transportation compared to $3.5 billion going into public transportation in urban areas.

The Rural Transportation Reporter article provides a profile of community-based rural and specialized transportation systems.

For example, most of the currently funded UMTA Sec. 18 and 16(b)2 systems began operating within the past decade in response to local needs. Often a social service agency began providing transportation for its own clients and eventually evolved into the only public transportation system in the community. Limited resources often forced managers of these systems to be highly creative and rely heavily on volunteers and in-kind services. Thus, 89 percent of these systems are dependent on nonmonetary contributions.

Community transportation systems funded through UMTA Sec. 18 and 16(b)2 programs provide a variety of services to their clients, the most common being the dial-a-ride, offered to those with no access to private automobiles or conventional public transit.

Community transportation systems operate in all 50 states and in 86 percent of the nation's 2050 counties.

Projections indicate that the total number of nonurban public transit systems is expected to serve 15 million people annually, providing about 500 million one-way trips each year. Typically the elderly, handicapped, preschool children, lower-income rural residents, and others who don't drive cars.

For more information, or for a reprint of the article, contact Rural America, 1312 18th St., NW, Washington, DC 20036, (202) 659-2060.
In Print

Assessing, Managing and Mitigating the Impacts of Urban Development on Rural Communities: A Landowner Perspective, by Robert E. Powell and Norston T. Beletzky, presents a model that local landowners can use to assess and organize economic recovery activities. Available for $50 from the Western Rural Development Center, University of Georgia College of Agriculture, P.O. Box 1209, Tifton, GA 31793, (912) 386-3416.

Funding Economic Development in the 1990s, edited by Norman Walter and David L. Chilson, provides a broad base of information for understanding the underserved small towns and midwest. Available for $35.95 from Kenner Publishing Co., West, P.O. Box 5007, Westport, CT 06881.


On Changing Rural America: The Needs, The Challenges, produced by the USDA Extension Service, is a film that explains recent changes in rural population, economic and institutional trends and discusses concluding that communities which adapt to economic changes will be able to capitalize on new opportunities. For more information, contact Bob Lovan at (202) 382-8743.

Purchasing Management for Small Government Entities is a video cassette program available from the National Association of Purchasing Management (NAPM). Information on rental or purchase can be obtained from NAPM, Box 418, Oakland, NJ 07436.

An introduction to economic development is provided through a slide/tape set of presentations made at the American Economic Development Council (AEDC) Education Foundation. Topics include Organizing Leadership Development, and Expansion, Evaluating Community Sites, Organizing a Peacemaking Team, and Developing Your Own Prospects. Modules cost $25.00 each or $100.00 for the set of five. For more information, contact AEDC Education Foundation, 488 North Scott St., Suite 10, Schiller Park, IL 60176, (312) 671-5647.

Local Economic Development in Texas, just published by the Institute of Urban Studies at the University of Texas at Austin, is an analysis of factors necessary for effective local economic development. Written by Bob Weaver, the book may be of interest to anyone interested in planning and carrying out successful local economic development activities. For more information, contact Weaver at (512) 944-9666.

Rural Conservation: Issues and Options is the proceedings of a Nov. 7-8, 1985 conference. Conference, issues discussed include problems facing rural communities, conservation of farmland, conservation of small towns, and the Trust for Historic Preservation (THP) Main Street program. Copies are available from Susan Klah, Room 201, Main Street Program, 436 King St., Charleston, SC 29403, (803) 724-4771.

Rural Firefighting Operations is a two-volume set covering virtually every aspect of administering rural firefighting departments. The book, published by the International Society of Fire Service Instructors (ISFSI), includes many sample forms, illustrations and photos as well as a bibliography. For more information, contact the ISFSI, 20 Main St., Ashland, MA 01721.

Rural Crime Prevention Programs, prepared by Ohio's Extension, is a training manual which emphasizes home security, urban crime prevention, fraud and con games, and vandalism. For more information, contact Gary Holland, Community and Rural Development Specialist, Ohio State University Cooperative Extension Service, Stillwater, OK 74078, (405) 624-5400.
1987 Extension Winter School slated for January


Registration fee for the three-week school is $250. The regional Rural Development Centers are providing scholarships of $200 for the course on "Local Government and Extension." A total of 12 scholarships will be offered from each regional center. The Farm Foundation is offering 200 scholarships for the "Public Policy Issues" course and the "Extension Supervision and Administration" course.

To apply for a scholarship, contact Dr. Norma J. Redeker, Extension Winter School Director, College of Agriculture, SFOR Bldg., University of Arizona, Tucson, AZ 85721, (602) 621-3347. Applications for scholarships must be received by Dec. 5. Those people registered for enrollment in the designated classes will be given first consideration for scholarships. Participants can earn a maximum of three hours graduate credit by attending the school. To receive graduate credit, a participant must be accepted by the University of Arizona graduate school.

Winter School registration and course information as well as graduate school applications are available from Dr. Redeker.

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Report outlines objectives to promote progress

The 1986 Commission on the Future of the South has released its final report, "Halfway Home and a Long Way to Go," outlining ten strategic objectives states can implement to encourage economic progress in the South.

The report, presented to the Southern Growth Policies Board (SGPB), points out that although growth has come to the Sunbelt in recent years, it has come mostly to the region's Atlantic Seaboard and large cities, skipping over many small towns and rural areas.

The decade's widely publicized new jobs and higher pay have been largely claimed by educated, urban, middle-class Southerners, although their economic progress has lifted Southern per capita income to 88 percent of the national average, millions of Southerners—about the same number as in 1965—still struggle in poverty.

The report also reveals that the South, Small government research group forms

A group of researchers interested in the problems of small and rural governments has formed a research network in cooperation with the USDA Economic Research Service. The National Small Government Research Network (NSGRNet), set up in July, provides a forum for research collaboration and exchange of ideas and materials.

Members communicate via an intergovernmental newsletter and PolNet, a computer network for social scientists.

For more information, contact Dr. Beverly Cigler, Dept. of Political Science and Public Administration, Box 8102, North Carolina State University, Raleigh, NC 27695-8102, (919) 737-2481 or (919) 847-7773.

RELATING RURAL DEVELOPMENT TO YOUR COMMUNITY

despite recent improvements, still spends below the national average for education, has higher rates of adult functional illiteracy, reports lower scores on college entrance exams, graduates fewer high school students and sends fewer of them to college, and has a population in which one-fourth of white adults and 37 percent of black adults drop out of school by grade eight.

The report urges that, facing the 1990s, the South must decide how to rescue those Southerners left behind.

Calling for immediate action, the report recommends that Southern states pursue the following objectives:


Military budget drains money from farm counties

A study conducted by Employment Research Associates suggests that the military budget drains $12 billion more from the nation's major agricultural counties than the federal government returns in military contracts and farm programs.

In 1985, residents of 1,218 farm counties paid $41.5 billion in federal taxes, compared to $20.9 billion in the military budget, or $22.6 billion more than they received in military payments and $12.4 billion more than they received in military and agricultural payments combined.

The 25 major agricultural states carried a military tax burden of $163.1 billion and

Reports reveal gap between rural, urban incomes

If recent trends continue, rural Americans may be destined to resume their historical status as an economic underclass, according to recent Congressional Joint Economic Reports.

The reports reveal that the gap between rural and urban incomes has consistently and continuously widened in recent years. The following excerpts from the reports illustrate the growing rural-urban income disparities:

- In the three years from 1980-1982, nonfarm employment fell by 580,000 jobs. In contrast, metro employment increased by 180,000.
- Rural areas generate less income than urban areas. In 1985, median nonfarm family income was $13,995. For metro family incomes, median family income was $26,488, or 27 percent higher.
- Relative to their urban counterparts, rural residents have lower incomes, fewer job opportunities, higher joblessness rates, and are more likely to be in poverty or live in substandard housing.

According to the reports, Southern states with greater rural-urban income disparities per capita income growth from 1983 to 1984 include Kentucky (80 percent or $622 higher growth in metro areas than rural areas), Louisiana (89.6 percent or $398 higher) and Florida (52.5 percent or $651 higher). The report suggests that such conditions are cause for significant federal assistance, although rural areas receive a disproportionately small share of federal programs.

Community foundations offer funding alternative

Small towns might find support for those senior citizen centers, local museums or community arts programs they need through a Community Foundation.

Community foundations are similar to private foundations, according to Richard H. Timmins, director of the North Dakota Community Foundation (NDCF) and author of an article entitled, "Using Community Foundations to Support Self-Help Efforts," which appeared in the July-August 1986 issue of Small Town.

According to Timmins, such organizations operate without government money. Instead, donors from the community that include individuals, organizations and other foundations are developed into an endowment fund. The fund is then used to support worthy programs in education, the arts, charity, science or human services.

Endowment funds can grow each year from new contributions. Community foundations are governed by boards consisting of members who represent their constituency geographically and possess personal experience.

The NDCF has developed one program that is particularly geared towards small towns through a mini-endowment program. This program helps communities develop their own endowment funds for their own long-term benefit.

The NDCF provides a special incentive by adding $25,000 to the endowment if a donor can raise as much as $25,000. The money is then held within NDCF for administration, becoming part of the community's permanent fund. On the other hand, the interest, less a small management fee, is available for grantmaking by the community.

The NDCF is open to Invited the funds raised by each community in one or more local financial institutions. Every mini-endowment program has an advisory committee composed of individuals from the community, including a local city commit-
tee representatives and local grant local applications.

Survey reveals rural, urban spending habits

Rural consumers spend a higher percentage of their pre-tax income on food and transportation than urban consumers, according to a recent survey.

The survey, conducted by the Bureau of Labor Statistics, shows spending patterns of urban and rural Americans differ significantly.

Rural dwellers tend to spend less for housing than urban consumers, partly because they are older and more likely to rent than have paid for their homes. According to the survey, 42 percent of rural homeowners are without a mortgage, compared with 21 percent of urban homeowners.

Rural consumers spend 8.9 percent of their income on urban fare, such as public services and transportation, while urban consumers spend 7.7 percent.

The survey, reflecting buying patterns in 101 geographic areas during 1984, reveals that rural consumers spend 29 percent of their income on food, compared to 36 percent for urban consumers.

Rural consumers spend a larger part (22 percent) of their income on transportation than do their urban counterparts (20.1 percent). Gasoline and motor-vehicle costs account for most of the difference. Urban consumers spend about one-third more than rural consumers on personal care products and services.

(Condensed from Nov. 28, 1986, issue of Nado News, a publication of the National Association of Development Organizations.)
Texas led the nation in the number of farms that went out of business over the past year.

The state lost 15,000 farms of an estimated 108,000 farms that went out of business between 1985 and 1986. Texas was left with 160,000 farms, more than any other state in the nation.

The second largest decline in the number of farms over the past year occurred in Virginia, which lost 4,000 farms out of 54,000. Arkansas and North Carolina each lost 3,000 farms, leaving Arkansas with 50,000 and North Carolina with 73,000.

Of six states with the greatest losses by 1986, only two—Tennessee and Minnesota—were in the Midwest Farm Belt.

Texas went from 1984 to 1985, with a reduction of 10,000 farms, twice the number of the next state, Minnesota.

From 1985 to 1986, farm numbers fell in 36 states, held steady in 13, and increased only in Arizona.

USDA economist Donn Reimund said farm declines in the 1950s and 1960s were different.

"Then, we were going through a technological adjustment in agriculture," he said. "Farmers' willingness to quit could sell at a pretty good profit. But today farmers often leave as debtors, forced out because they cannot get refinancing to cover current expenses and debt payments. Reimund said the declines are heavily concentrated among farms with annual sales of $40,000 to $100,000.

He said they are too small to yield sufficient income from agriculture and too large to operate part time while the owner holds a full-time job.

Until the farm crisis of the 1980s, it had appeared that farmers were making a living. In fact, the number of farms has leveled off. In fact, the number of farms rose slightly in 1986 and 1987, the only increase since the Depression. The peak number of American farms was in 1935.

The belief that declines had leveled off was premature. The national 60,000-farm drop over the last few years fell in 1985, which was the highest year on record. The 1985 decline was 2.3 percent, the highest percentage since the 1981-82 recession and the 1981-82 recession.

Van Johnson, USDA statistician, said the amount of land in farms dropped by roughly 7 million acres from 1985 to 1986, while average farm size increased to 450 acres, up from 446 acres in 1985. When farmers leave the land, their acreage is often absorbed into other operations so acreage declines at a slower rate than farm numbers.

(Condensed from "Nonmetro Unemployment Tied to Major Industry Closures," by Susan Pollack and Shelley Pendleton, in October 1986 issue of ROP.)

NCSC offers management aid to local officials

Massive management needs are often found in small communities, according to Clarence J. Brown, deputy secretary of the U.S. Department of Agriculture.

"The rural and small-town official works in a world of limited data, prac- tically no reseach about the community, few tools, and only occasionally a chance to borrow from more sophisticated urban experiences," he said.

Brown described the National Center for Small Communities (NCSC) as a potential re- source for local officials in need of man- agement assistance.

The NCSC, a self-help training center formed by the National Association of

SGPB... (Continued from page 1)

teams to mitigate job displacement.


6. Increase the economic growth potentiality to generate and use technology by 1992. Create state and regional centers of excellence and training in science and technology by 1992. Mandate that states have an active role in promoting and using technology. Fund the technological research which sparks the economy.

7. Implement new economic development strategies aimed at home-grown business and industry. Make it easier to start and assist entre- preneurs. Forge stronger partnerships between businesses and colleges and universi- ties. Mandate that states and local government.


9. Develop pragmatic leaders with a global vision by 1992. Begin at once to develop more effective education and awareness. Coordinates the executive branch and expands the governor's authority; increase development effort at the state and local level; sort out roles of federal, state and local government.

Twenty prominent Southerners worked together for the past year to produce the document, which was unveiled Nov. 17 at the 17th Annual Meeting of the SGPB in Little Rock.

The SGPB will provide up to three copies of the report upon request at no cost. Additional copies are available for $1 each.

The Commission has also produced eight supplements to the report, devoted to specific topics and containing additional information and statistics about the central concerns of the report. A complete set of the SGPB's "South: Halfway Home" is available for $20. Individual supplements are available in sets for $1.

For information, contact the SGPB, 100 N. 2nd Ave., Research Triangle Park, NC 27709, (919) 549-8167.
Small talk on big issues

* Bank failures during 1986 have sur- passed the post-Depression record set last year. So far, 122 banks have failed this year, and the chief scientist of the FDIC expects a total of between 150 and 160 by the end of the year. Farmers in the Plains states account for 5% of the failures; Oklahoma, 13; Louisiana, eight.

* A new training program using video tapes and workbooks will help financially-pressed farmers make a go of it, say USDA officials. The program was introduced in November in a 16-day workshop in Paul Hino. The Cooperative Extension Ser- vice and Farm Credit System conducted the sessions.

Workshops help farm wives in job market

Farm wives preparing to look for off-farm employment need not be intimidated by the prospect if they are prepared, according to Jane Scherer, University of Illinois Cooperative Extension Service program coordinator. "Searching for a job is a job itself," explains Scherer. "It takes time, good organization, lots of planning, and lots of thought and work." Scherer conducts 10 to 15 workshops around the state each year geared toward helping people make the transition from one job to another.

Cooperating with other agencies, many farm wives have not had employment off the farm. Like other job seekers, they should consider all sources as hours, benefits, job security, advancement and future earning potential, job location and job status before initiating the job search. Like other job seekers, farm wives have many fears about entering the job market. Since one fear is of the unknown, the farm wife can overcome this and other fears by outlining her skills, abilities, strengths and interests. at $20.2 billion, with residents in the Northeast and smallest rural communities facing the highest per capita costs. For a draft copy of this August 1986 study, contact Barry Ryan, Agricultural and Ap- plied Economics, University of Nebraska, 1168 Classroom Office Bldg., 1994 Buford Ave., St. Paul, MN 55108, (612) 625-9727.

On Film

Rural Conservation: Preservation in a Living Landscape is a slide and tape show designed to stimulate interest in conserv- ing rural history. The presentation begins with a discussion of the historic significance of buildings and structures located in rural areas. The potential and spinoffs of rural historic preservation are shown through two rural community demonstration projects and other examples. Guidance is provided on initiating projects and obtaining financial support. Developed by the Midwest Office of the National Trust for Historic Preservation, the set consists of 86 slides. For information contact the NTHP Midwest Office at 53 W. Jackson Blvd., Suite 1135, Chicago, IL 60604, (312) 353-3519.

It's an idea...*

* The City of Collegevile, Tenn. needed to increase its inspection services beyond what an overworked public works director could provide, but did not feel a fulltime position could be justified. The expertise of another organization with a similar problem was needed. By checking the backgrounds of current employees, the city manager found a police officer who had previous experience as a builder. The officer was given additional training through the Southern Building Codes Conference and was appointed as building inspector. He is paid an additional amount per month for the work.

Cooperating for Clean Water examines how 28 different agricultural nonpoint source pollution control efforts have been organi- zed, funded and implemented. It provides comprehensive case study documentation of how the various federal, state and local programs all come together at the local implementation level to improve water quality. Available from the NASA Research Foundation Farmland Project, 1616 H St., NW, Washington, DC 20006.

On Schedule

WESTERN REGIONAL EXTENSION WINTER SCHOOL, Jan. 12-30, Tucson, AZ. Included will be a course on "Local Government and Extension: The Changing Partnership." Schol- arships for this course are available from the regional rural development centers. For information contact Norma J. Redeker, Extension Winter School, School of Family and Consumer Resources, College of Agriculture, University of Arizona, Tucson, AZ 85721.

ALTERNATIVE FARMING OPPORTUNITIES FOR THE SOUTH, Jan. 26-28, Mississippi State University, Starkville. The conference is to identify and examine farming oppor- tunities that enhance farm profitability. Sponsored by the Southern Rural Develop- ment Center (SRDC), Farm Foundation, Ten- nessee Valley Authority and Southern Legal Assistance. For more infor- mation, contact the SRDC, Box 5446, Mis- sissippi State, MS 39762, (601) 325-3207.


In Print

NATIONAL SYMPOSIUM ON RURAL ENTREPRE- NEURSHIP, Feb. 10-12, Knoxville, TN. Spon- sored by the USDA Extension Service, Ten- nessee Valley Authority, Farm Foundation, USDA Economic Research Service and the rural development centers.

SOUTHEASTERN DROUGHT SYMPOSIUM, March 4-5, Columbia, SC. Topics include inter- governmental cooperation; history of drought in the Southeast; causes and effect view of the 1986 drought; and drought-related industrial, agricultural and water management issues. Sponsored by the South Carolina Water Resources Commission (SCWRC), Strom Thurmond Institute, National Oceanic and Atmospheric Administration and American Meteorological Society. For more information, contact Scott F. Sidom, SCWRC, P. O. Box 8446, Columbia, SC 29240, (803) 737- 6505.

3RD ANNUAL SOUTHEASTERN FOREST LAND- OWNERS SEMINAR, March 14, Atlanta. For more information, contact the Rural Development Center, University of Georgia College of Agriculture, P.O. Box 1209, Tifton, GA 31793, (912) 886-3416.

Coordinating for Clean Water examines how 28 different agricultural nonpoint source pollution control efforts have been organi- zed, funded and implemented. It provides comprehensive case study documentation of how the various federal, state and local programs all come together at the local implementation level to improve water quality. Available from the NASA Research Foundation Farmland Project, 1616 H St., NW, Washington, DC 20006.


Policy Forum: Diversification Strategies for a New Southern Agriculture This one day seminar will proceed the proceedings of a regional policy forum held in Fort Worth in July 1986. Sponsored by the Agriculture and Rural Development Committee of the Southern Legislative Conference in cooperation with the Center for Agriculture and Rural De- velopment, Council of State Governments, Southern Rural Development Center and Southern Association of State Departments of Agriculture, the forum is designed to be a region-wide effort to begin to identify and appropriate state roles and policies in response to the agricultural recession in the South. Available for $5 from the SRDC, Box 5446, Mississippi State, MS 39762, (601) 325-3207.
100 Georgia counties form self-insurance group

Officials from about 100 Georgia counties are rallying against runaway liability insurance rates to form their own self-insurance group.

The Association County Commissioners of Georgia (ACCC) is taking the lead in developing the self-insurance plan, which could help stabilize insurance costs while introducing loss reduction measures in each county.

Recent state legislation in Georgia makes it lawful for an association such as ACCC to create a liability insurance pool, and with sufficient excess coverage from the insurance industry, to help members self-insure their hazards.

ACCG proposes that a group of counties form an insurance pool, paying premiums on the basis of their individual loss histories and current exposures to liability claims. Any money in the pool not needed immediately to pay claims would be invested for maximum earnings, which in turn would reduce the contributions needed from participating counties.

To protect the insurance pool from depletion by one large claim or a series of claims that exceed expectations, the plan would "re-insure" with a carrier from within the insurance industry. This excess coverage would offer a second level of protection.

ACCG leaders stress that loss reduction is the heart of their program. Advisors from the insurance industry will visit each participating county to identify hazards and recommend ways to reduce claims.

Each participating county must provide an extensive loss history. Industry specialists will use statistics and summaries of working conditions to set rates and determine a practical amount for the reserve fund.

Initial plans are for the association to offer liability coverage for vehicle operation, law enforcement, public official, property and general liability insurance. However, the association probably will not offer pollution or medicare liability insurance.

For information, contact Dick Stobbs at (800) 233-2436.

(Condensed from "Counties Rally to Form Liability Self-Insurance Group," an article in the October 1986 issue of Georgia County Government.)

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