

Controlled Environmental Agriculture Industry Watch

Controlled Environment Agriculture (CEA) is an evolving industry where the production of plants and their products, such as vegetables and flowers, takes place inside controlled environment structures like greenhouses, vertical farms, and growth chambers. IADG staff continue to evaluate the industry and CEA businesses that are emerging in advanced indoor growing platforms. Brian Tapp, VP of Value Added Agriculture, recently attended the Controlled Environmental Ag - Summit East 2023 in Danville, Virginia. The Summit included continuing education on the market and the changes that continue to disrupt this industry.



“There appear to be several models in CEA that are working and some that are not,” stated Tapp. Some of the notable names in the industry, including Aero Farms, Fifth Season, Infarms and others, have met serious challenges.”

However, based on these experiences, several indicators have been identified for Iowa’s success and future business opportunities in CEA. They include a technology or horticulture focus, indoor or advanced greenhouse platforms, plant varieties, and unit cost economics. All these factors contribute to the success or failure of each CEA location coupled with the identified market. The success appears to be in small to medium-sized firms that can be nimble and provide steady growth and consumption for their products. IADG will continue to follow this industry and participate in key CEA events, such as Indoor Ag Con 2024. For further information on this industry and the research IADG is conducting, please contact **Brian Tapp** at btapp@iadg.com.

Iowa Rural Utilities Surpass \$200 Million in REDL&G Awards

Iowa has consistently been a leader in securing funds from the USDA Rural Economic Development Loan & Grant (REDL&G) program to support projects statewide. Since the program’s inception in 1989, IADG member electric cooperatives, municipal utilities, and independent telecommunications companies have secured over **440 loan and grant awards**, totaling over **\$200 million** in support. These awards translate into **\$1.29 billion in capital investment** to spur business and community development projects and the creation and retention of **over 22,400 jobs**.



After a record-setting \$28.6 million secured by IADG rural utility partners in 2022, the group has already surpassed that amount with an impressive **\$40 million** secured in the **first three quarters of 2023**. IADG writes and submits the grant applications on behalf of its rural utility partners and is expecting additional awarded projects to be announced before the end of the year.

“The partnerships in place to foster rural growth are truly commendable,” remarked Theresa Greenfield, USDA Rural Development State Director in Iowa. “From rural utility providers identifying and championing impactful projects to the grant writing and technical assistance offered by IADG, along with the active participation of USDA Iowa staff, I take great pride in acknowledging everyone’s contributions to yet another remarkable year through the REDL&G program.”

See page 2 for recent REDL&G projects approved for funding.

Enhancing Iowa’s Industries: Value-Added Ag Roundtable Discussion

In addition to watching emerging industries, refining the focus of Iowa’s leading industries is also key in supporting our existing businesses as well as preparing for industry changes. IADG partnered with Corn Belt Power Cooperative and their distribution cooperatives to hold an Industry Roundtable session with leaders in value-added agriculture, specifically focused on Food Processing and Fuels and Grain Processing. Business and association leaders engaged in the dialogue, offering invaluable insights into the present and future landscapes of these focused domains, pinpointing both the impacts and opportunities for Iowa. Thank you to Grant Menke, Iowa Department of Agriculture and Land Stewardship, and Rachel Hahn from ISU Center for Industrial Research and Service (CIRAS) for facilitating the discussions.



USDA Awarded \$13.1 Million to Iowa Rural Utility Providers to Support Projects

The most recent USDA REDL&G award announcement provides over \$13.1 million to support projects in Albia, Hawarden, Shell Rock, Breda, Clarksville, and Carroll. The USDA REDL&G program provides zero-interest pass-through loans (REDL) to support projects that will create and retain jobs in rural areas. Grants (REDG) initially establish, then enhance local Revolving Loan Funds. IADG is proud to write and submit the REDL&G applications for its members.



Monroe County Hospital is poised to move forward with a multifaceted project to upgrade its facilities and retain employees. This includes adding a 685 sq. ft. MRI scan room to house a permanent MRI machine, renovating the Radiology Department and Acute-Care wing, and enhancing infrastructure. The renovation addresses issues like outdated isolation rooms, and the project aims to improve patient services and staff retention while serving as a community health hub. The construction is planned to start in early 2024 with an estimated 12-month timeline.

Utility: **Chariton Valley Electric Cooperative**

REDL: **\$2,000,000**

REDG: **\$300,000** to enhance RLF

Match: **\$60,000** from Chariton Valley Electric Cooperative

Utility: **Northeast Power**

REDL: **\$2,000,000**

REDG: **\$300,000** to enhance RLF

Match: **\$60,000** from Northeast Power

Matt Meister Trucking is expanding its operations by constructing a 10,000 sq. ft. facility to meet the growing demand for indoor maintenance services of its growing fleet of operators. The new facility, located in Breda, will feature office space, several overhead doors, and an existing storm shelter. This expansion will enable the company to hire a mechanic and potentially up to five drivers within the next three years, further facilitating their growth. Construction is set to begin in late 2023.

Utility: **Raccoon Valley Electric Cooperative**

REDL: **\$830,700**

Wernimont Welding plans to construct a new 15,000 sq. ft. facility with various features to enhance safety and productivity. Features include high-placed windows for natural lighting, a poured cement storm shelter, and multiple overhead doors for efficient workflow. The project also involves equipment upgrades through the purchase of a CNC turning lathe and an additional sheet or fiber laser to expedite manufacturing processes and reduce lead times. The project is expected to be completed before year end.

Utility: **Raccoon Valley Electric Cooperative**

REDL: **\$1,520,000**

The City of Hawarden Fire

Department upgraded its equipment through the purchase of two new trucks. The first truck is a pumper with a minimum flow rate of 1,250 gallons per minute, a 750-gallon water tank, and seating for at least 5 firefighters. The second acquisition is a 75-foot Aerial Ladder Truck, intended to enhance their rescue capabilities and provide access to taller buildings in the area, replacing the need to call in a ladder truck from elsewhere.

Utility: **North West Rural Electric Cooperative**

REDG: **\$208,000** to enhance RLF

Match: **\$42,000** from North West Rural Electric Cooperative



Clarksville Skilled Nursing & Rehabilitation Center, a 42-patient facility that opened in 1975, is preparing for a significant upgrade to the facility. Included are a new roof, upgraded HVAC system, and interior enhancements. Exterior improvements include extensions to the parking area, courtyard, and sidewalks. The project is expected to begin in mid 2024.

Utility: **Butler County Rural Electric Cooperative**

REDL: **\$1,804,000**

The **Butler Truck Oasis** is an 8,000 sq. ft. travel center that is being developed in response to increased traffic generated by the Butler Logistics Park. The travel center will house gas pumps for tractor trailer drivers, including 3 gasoline dispensers and satellite dispensers for diesel, alongside 20,000-gallon double-lined underground tanks for gasoline and diesel. Propane exchange services, parking for passenger vehicles and nearly 50 diesel trucks, and a range of convenience store items will be available. This project aims to meet the needs of diesel truck traffic and 600 Butler Logistics Park employees, filling a 25-mile commercial diesel fueling and quick-serve food gap.

Utility: **Butler County Rural Electric Cooperative**

REDL: **\$2,000,000**

Utility: **Corn Belt Power Cooperative**

REDL: **\$2,000,000**





IADG Energy Bank Supports Manufacturer

The Iowa Area Development Group Energy Bank RLF, offers low-interest financing for the implementation of projects that save energy and money, improve facilities and processes, and enhance job creation and profitability. The fund was created in 2013, and since that time, it has supported **22 projects** and continues to make loans as funds are repaid.

The most recent loan provided through the IADG Energy Bank is to **Industrial Hardfacing, Inc.**, a third-generation, family-owned manufacturing company in Lamoni. The company designs, manufactures, and repairs equipment for the rendering, meat packing, oil seed, and pet food industries. The company is replacing its outdated water jet system for parts fabrication with a new Jet Edge Hero 50 cutting system and a freestanding crane for steel loading. The new 5-axis cutting system has eliminated the need for additional grinding or machining, resulting in energy and labor savings. Most notably, the system can operate 24/7 unattended, significantly increasing throughput efficiency and reducing operational labor costs, ultimately decreasing the cost per piece of parts produced.

The IADG Energy Bank is focused on making loans to businesses and industries for qualifying energy efficiency projects within the State. Preference is given to manufacturers. For more information, visit IADG.com/EnergyBank or contact **Bruce Nuzum**, at bnuzum@iadg.com.

Ripple Effect Program Makes Impact

The Ripple Effect program, a partnership between IADG and Aureon, provides guidance and financial assistance to Iowa Independent Telecommunications Companies (ITCs) to support business and community projects. Ripple Effect offers support through matching loans, community project grants, USDA REDL&G application assistance, and economic development guidance from the Ripple Effect Director, Ethan Pitt. Learn more at www.RippleEffectWorks.org. Recently funded projects are below.

New Hoffman Park Shelter House

Western Iowa Networks (WIN) and Aureon awarded the City of Westside \$10,000 through Ripple Effect. The contributions will be used to help the city pay for soft costs needed for the construction of a new shelter house community facility located at Hoffman Park. The new building will be essential to the vitality of the community, providing a safe space for adults and children to congregate, relax, play, and host events such as birthday parties, school functions, graduation parties, business meetings, and more.



East Mills Child Care Solutions

Western Iowa Networks (WIN) donated \$100,000 to East Mills Child Care Solutions (EMCCS) to assist with fundraising efforts to establish The Lakin Foundation Child Development Center of East Mills. Additional funds were also provided by Aureon through the Ripple Effect program. These contributions will go toward design and construction management fees needed for the new state-of-the-art childcare center.



Little Knights Learning Center La Porte City Campus

LPC Connect and Aureon each granted the Little Knights Learning Center – La Porte City Campus \$2,500, totaling \$5,000 in Ripple Effect funding. The Board is embarking on a campaign to construct a new daycare center in La Port City, and this funding will help the Board cover initial pre-construction costs for the facility. La Porte City is designated as a “Childcare Desert” by Iowa Childcare Resource and Referral, meaning the community has a population of children more than three times larger than the number of registered childcare spaces available. The Little Knights Learning Center in La Porte City, will be modeled after the highly successful Little Knights Learning Center in Dysart.



Walldogs Mural Festival

GRM Networks and Aureon granted the Wayne County Development Corporation \$5,000 in funding to support of the annual Walldogs Mural Festival. The festival, which took place August 30 to September 4, 2023, transformed eight rural towns in Wayne County, hosting 150+ artists from 26 states and 5 countries to paint 16 murals featuring highlights from Wayne County's past and present. In recognition of the festival's 30th anniversary, an online “Mural Trail” was created and implemented in tandem with the event. The online Mural Trail is a digital guide created to help visitors discover murals that have been painted and permanently installed in each community. Ripple Effect grant funding will be allocated towards ongoing educational materials and videos, Mural Trail maps and signage, marketing materials, and QR codes that are linked to online mural descriptions and history.



Loan Closings - Recognizing Project Milestones



Humboldt County Memorial Hospital is a 21-bed, county-owned critical access hospital in Humboldt and home to the new 3,200 sq. ft. **Mental Health & Wellness Center**, an outpatient therapy and mental health counseling clinic. In addition to patient rooms, two play therapy spaces support counseling for children. Therapy areas within the clinic are equipped with telemedicine equipment, allowing for off-site support and services as needed. Midland Power Cooperative and Corn Belt Power Cooperative closed loans totaling \$1,584,000 to support this new facility.



Mid-States Material Handling and Fabrication, Inc. is a family-owned, metal manufacturing company founded in 2010. Located in Nevada, the company primarily manufactures grain handling systems for the ag industry, and structural metal supports for towers, catwalks, balconies, and various other facilities. The company is expanding its headquarters in Nevada, which includes the construction of a 15,000 sq. ft. addition to its current 100,000 sq. ft. facility. The new addition will include space for 29 offices and 2 conference rooms. Colo Telephone Company provided a \$2 million pass-through loan from the USDA REDL&G program to support the expansion.

FABTECH 2023 INDUSTRY CONNECTIONS

IADG and partners from Iowa Lakes Electric Cooperative, Midland Power Cooperative, and ISU Center for Industrial Research and Service (CIRAS) promoted Iowa opportunities at FABTECH 2023 in Chicago. FABTECH is focused on advanced fabrication and welding technology, which aligns well with Iowa's leadership in the area of advanced manufacturing. The show offered valuable opportunities to connect with Iowa's existing businesses, as well as establish relationships with prospective companies.



Trade shows remain an important element of IADG's multifaceted marketing efforts. Planning is underway for the 2024 trade show schedule targeting several value-added agriculture and manufacturing shows.



IADG Partners Forum

"Energizing Business and Community Growth"

Celebrating the success of the recent IADG Partners Forum, IADG extends thanks to the 120 attendees who made it an impactful event. The forum, dedicated to fostering business and community development in rural Iowa, offered a comprehensive series of sessions covering vital topics such as workforce, housing, transformation projects, and professional guidance for economic development. Special thanks go to the presenters, including IEDA Director Debi Durham, site selection expert Chris Lloyd, and Iowa Secretary of Agriculture Mike Naig, along with 20 additional speakers whose insights and expertise were instrumental in making the Partners Forum a meaningful experience.

The event was not just about information dissemination but also about fostering engagement and forging partnerships. The collaborative spirit and contributions from all participants were invaluable, reflecting a shared commitment to supporting Iowa's rural economic landscape. IADG hopes the Forum provided valuable information to support the future of rural business and community growth in Iowa.

