

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
AGRICULTURE & RENEWABLE ENERGY DEVELOPMENT (Ag) COMMITTEE

MINUTES

November 19, 2020

Via Zoom Video Conference

Present: Rollie Boll, Kevin Halvorson, Dustin Kotrba, Kim Larson and Michelle Marotzke

Absent: Kristy Kallevig, Larry Konsterlie, Dan Lippert, Keith Poier and Dan Tepfer

Staff: Connie Schmoll, Business Development Manager

Secretarial: Diane Beck, Legal and Administrative Assistants, Inc. (LAA)

Chairperson Kevin Halvorson called the meeting to order at approximately 7:40 a.m. and reported there was not a quorum.

AGENDA—Chair Halvorson presented the Agenda. Schmoll asked to add under New Business, Changes to Ridgewater College Farm Business Management.

MINUTES—There was not a quorum to approve the July 16, August 20 and September 17, 2020 Minutes.

SPEAKER: State of Economy and Jobs COVID-19. Schmoll introduced Cameron Macht, Regional Analysis and Outreach Manager and Acting Assistant Labor Market Information (LMI) Director with the Department of Employment and Economic Development (DEED) and shared Macht had given a presentation on the economy at an economic development meeting and she asked him to give a similar presentation to the Ag Committee. Macht's presentation entitled, Perception Equals Reality, (see attached) covered economic status in Kandiyohi County and Minnesota. The unemployment rate in Kandiyohi County was 3.6% in September, which is slightly lower (4%) than prior to the pandemic. In September of 2019, the unemployment rate in Kandiyohi County was 2.3%. As of November 7th, 1,438 people were still receiving unemployment benefits in Region 6E, which includes the counties of Kandiyohi, McLeod, Meeker and Renville. The job loss in Kandiyohi County between the first and second quarter of 2020 was 923, the most job loss since 2013. Kim Larson inquired if Jennie-O experienced any loss of jobs. Macht stated there was a slight job loss but overall, food manufacturing employment has grown in the last eight months in Minnesota.

In May, Minnesota's unemployment rate was at 9.9%, the highest on record since 1976. In September, the unemployment rate was 6%. Minnesota ranked 14th in the nation's unemployment numbers. Between February and September, Minnesota's jobs were down 203,000 and reported Minnesota is slightly behind the United States in job recovery. He shared the job loss is unprecedented in the history of the data series going back nearly a century at the state and national level. Statewide, unemployment is less in the western portion of Minnesota.

Macht shared unemployment insurance application statistics. Kandiyohi County has had 5,257 applications during the eight-month period, which is lower than the statewide average.

Statewide, over 1 million people have filed an application for unemployment benefits with a high percentage in construction, retail sales, food and beverage, nursing home and healthcare aides, food processing workers, cooks and food preparation workers. In November, there were 89,328 unemployment claims which is down from a peak of 405,361 in May. The layoff activity has affected females more than males and younger workers between 22-29 (mainly due to hotel/restaurant layoffs). Retail trade has made some recovery due to online shopping. Overall, Minnesota's jobs were down 294,539 between the first and second quarter; Kandiyohi County was down 923 jobs, a 4% decline. Jobs that had an increase were in construction, arts, entertainment, recreation and temporary staffing jobs. There are opportunities for employees in the healthcare, transportation (truck drivers), retail and production.

Macht provided information on CareerForce.com, a program to communicate about occupations in demand during the pandemic. The program is a resource for jobseekers who may have been laid off. CareerForce informs jobseekers of available positions and training opportunities. He shared the future outlook baseline gets us back to break even by the third quarter of 2022. If the virus continues to increase, the breakeven could be in the third quarter of 2023. In summary, the speed and scope of job loss is unprecedented. People are dropping out of the workforce. Job losses have affected women, young people and workers of color and have hit certain industries harder than others.

Schmoll gave an update on the federal Coronavirus Aid, Relief and Economic Security (CARES Act which appropriated \$150 billion to the Coronavirus Relief Fund (CPR) to states. In June, Governor Walz released \$841 million from the CARES Act to counties and cities based on population. Kandiyohi County asked the EDC to coordinate the distribution of a portion of funds to small businesses and nonprofit organizations. Approximately \$3.3 million has been granted as of the end of October. Schmoll shared Kandiyohi County has additional CARES Act funds available and due to Governor Walz's new restrictions on restaurants/bars, breweries and gyms, they allocated \$149,000 for the EDC to distribute to recipients. Checks will range from \$3,000-\$5,000 to affected businesses.

Schmoll inquired if self-employed individuals of businesses closed for two or three months due to COVID can go back and apply for unemployment benefits? Macht suggested Schmoll contact DEED. Macht stated the Payroll Protection Program (PPP) will end on December 26th unless the federal government passes another stimulus package.

Macht commented Minnesota's workforce is declining due to the lack of available workers. Businesses need incentives to draw in employees. He commented one way to increase the labor force is by immigration for Minnesota particularly for Kandiyohi County.

Schmoll thanked Macht for the interesting participation; Macht will email his presentation to Schmoll and she will distribute to committee members.

REPORTS

Industrial Hemp Exploratory Subcommittee. Schmoll reported the University of Michigan is studying the graphene process and is finding good results. Graphene is made from the industrial hemp hurd and one use includes making batteries and other products. The subcommittee will continue to monitor the graphene process activity. Schmoll shared the subcommittee has decided to meet quarterly. Schmoll commented if committee members hear of industrial hemp activity in the area to contact her. Discussion held regarding a hemp processor request for a 60,000 sq. ft. building that would include cold storage. Larson mentioned the Pepsi building in Willmar which is currently for sale and a parcel south of the MinnWest Technology Campus. Schmoll commented land is also available in Willmar's Industrial Park.

UNFINISHED BUSINESS

Ag Innovation Conference Planning Team. Schmoll shared the planning committee has not met recently but a meeting will be scheduled soon to continue planning for the Partners in Ag Innovation Conference scheduled for July 2021.

NEW BUSINESS

Renewable Diesel/Higher Blends Infrastructure Incentive Program. Dustin Kotrba reported Jamey Cline of Christianson CPA, will provide information on the renewable diesel/higher blends infrastructure program via a virtual event on January 27, 2021. Schmoll mentioned a flyer has been prepared and marketing for the event will start in December.

Agriculture and Renewable Energy Flyer. Schmoll reported REDstar has reformatted the former Ag flyer. She shared the Ag Marketing and Event Planning Subcommittee is currently looking for new photos and statistics. If committee members have suggestions, contact Schmoll.

Community Ag/Renewable Energy Community Events/Projects. Schmoll mentioned NovaTech Engineering recently provided an interesting presentation on poultry and shared how they worked with Cambodian growers to successfully use NovaTech equipment in their unique environment.

Schmoll reported the Farm Business Management Program at Ridgewater College will move to the Central Lakes College and Minnesota West Community and Technical College in Granite Falls. Ridgewater College's current students will continue to receive their education in the same format and structure. Schmoll encourages committee members to promote the collaboration.

Kotrba discussed Ag Committee quorum issues; suggestions included sending out reminder notices a day before the meeting and using texts for meeting reminders.

ADJOURNMENT—There being no other business, the meeting was adjourned at approximately 8:58 a.m.

NEXT MEETING—The next committee meeting is **7:30 a.m., December 17, 2020** via Zoom.



Current Economic Trends

Kandiyohi County Ag & Renewable Energy Committee

Cameron Macht

DEED Labor Market Information Office

Regional Analysis & Outreach

www.mn.gov/deed/data/

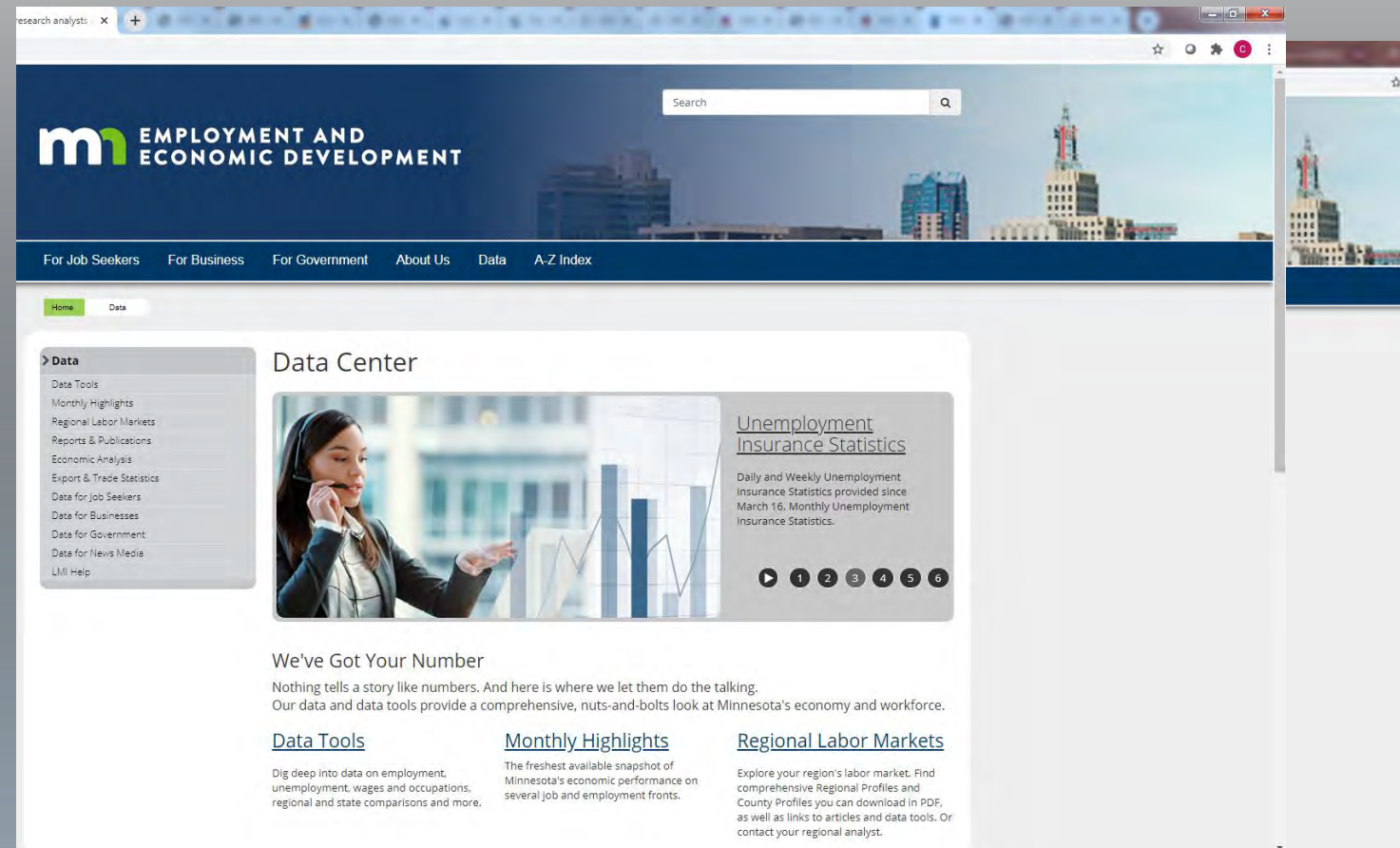
November 19, 2020

Perception Equals Reality

- **What is Kandiyohi County's current unemployment rate?**
 - **3.6% (866 unemployed workers)**
 - 28th lowest among the 87 counties
 - Region 6E was 3.8% in Sept. 2020 (2,470 unemp. workers)
- **Is that higher or lower than pre-pandemic levels? than last year?**
 - **LOWER** – Kandiyohi Co. was at 4.0% in March 2020
 - **HIGHER** – Kandiyohi Co. was at 2.3% in Sept. 2019 (historically low levels from 2017-2019)
- **How many workers are currently filing continued claims in Region 6E?**
 - 1,438 continued claims in Region 6E the week ending 11/7/20
 - Down from a peak of 5,929 the week ending 4/11/20
- **How many jobs were lost in Kandiyohi Co. from Q1 to Q2?**
 - **-923 jobs (-3.9%)** – from 23,523 jobs to 22,600 jobs
 - Lowest count in Q2 since 2013 (recovery from Great Recession)
 - Region 6E was down -2,801 jobs (-5.4%)
 - Minnesota was down -294,539 jobs (-10.3%)

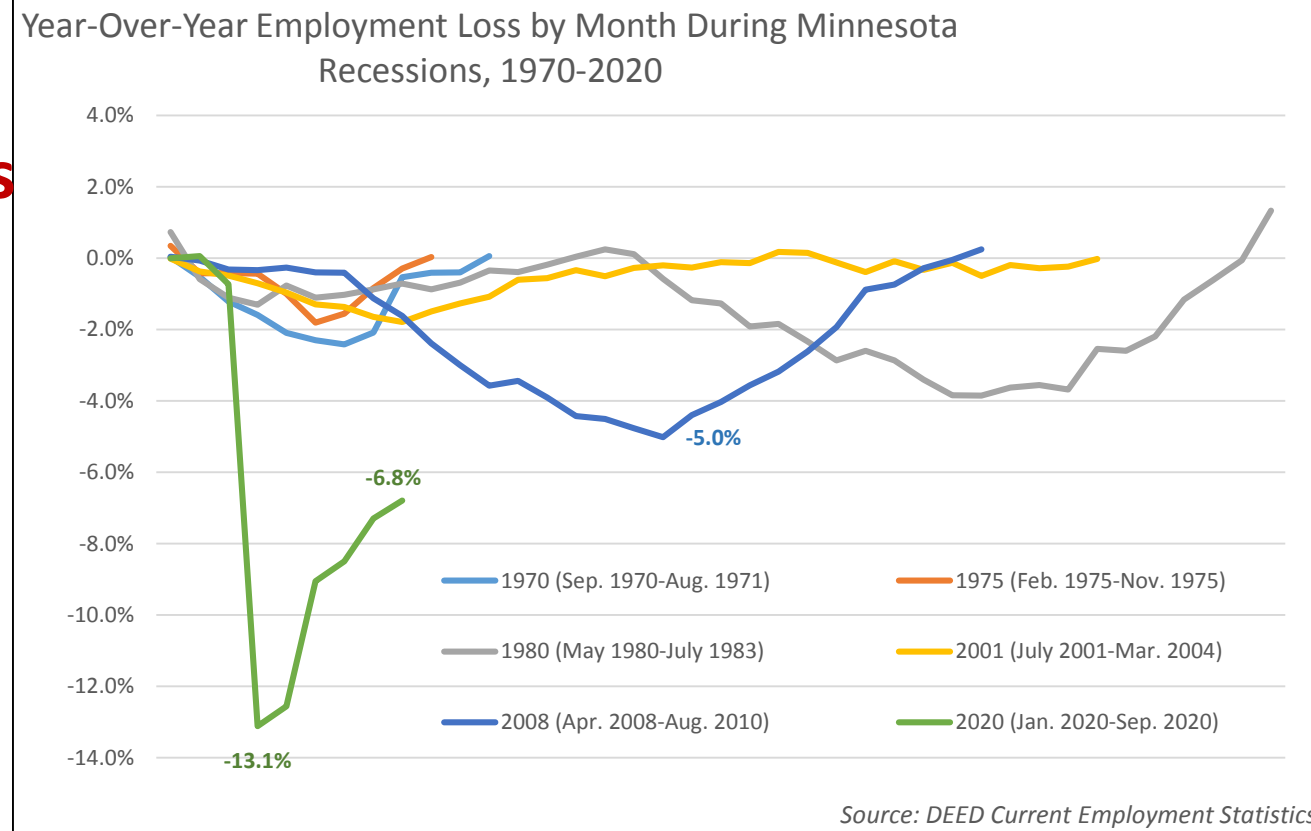
Minnesota Dept. of Employment & Economic Development

- DEED has been busy during the COVID-19 pandemic
 - Unemployment Insurance, Business & Community Development, LMI
- Each state produces employment and economic statistics in cooperation with U.S. Department of Labor's Bureau of Labor Statistics
- LMI includes employment statistics, unemployment rates, wages and salaries, job projections and more
 - We provide data to a wide variety of stakeholders and customers
- LMI is the foundation for informed, market-responsive planning
 - Focused on trends
- mn.gov/deed/data/



Unemployment Rates & Job Losses

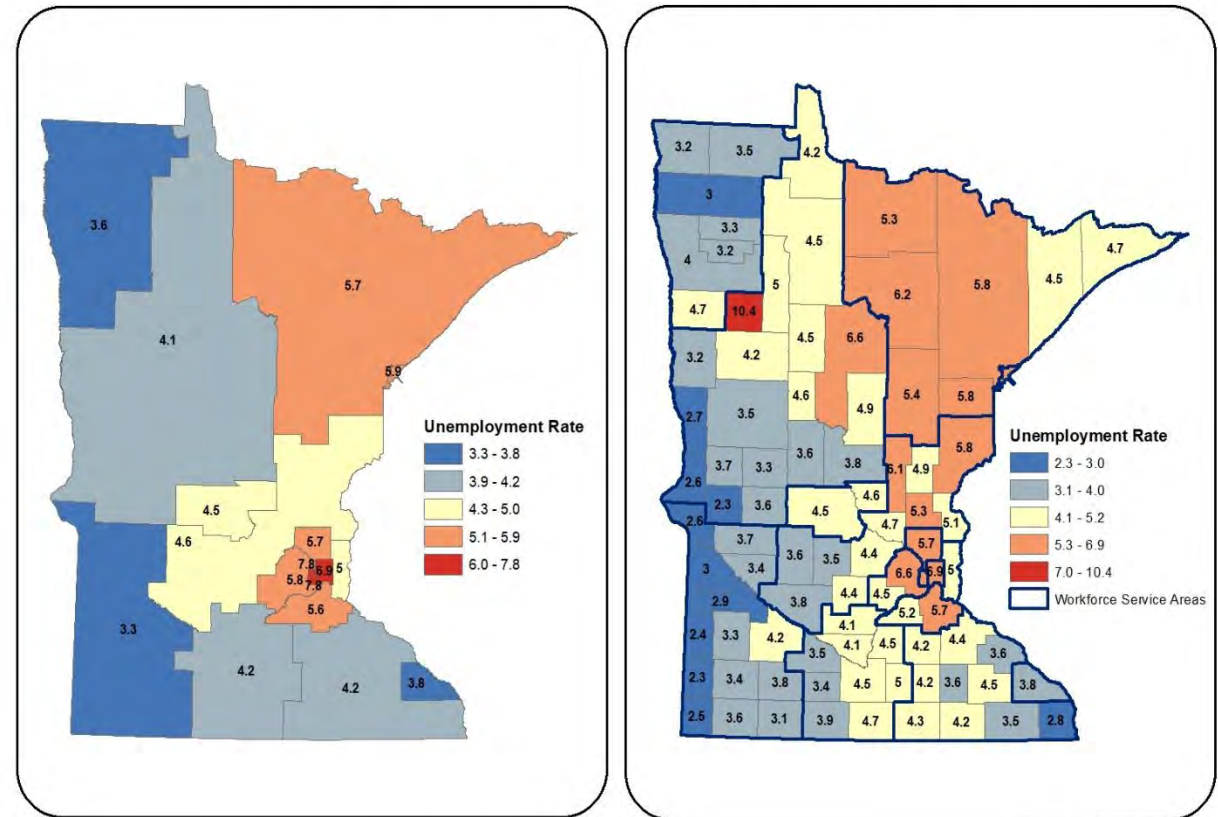
- Minnesota's unemployment rate dropped to **6.0%** in Sept. 2020
 - **9.9%** in May was the highest rate on record – *previous highs in 1983, 2009*
 - Minnesota had the 14th lowest unemp. rate in U.S.
 - U.S. rate dropped to **7.9%** in September 2020; got as high as 14.7% in April
- Since February, the number employed has dropped by **-152,459**; while the number unemployed has risen by **+86,652**
 - Includes a loss of **-56,299** from the labor force this month with a drop in participation rate
- Minnesota is down **-203,521 jobs** over the year in Sept., a **-6.8%** loss compared to 2019
 - U.S. employment is down **-6.4%**
- These job losses, largely the result of pandemic containment measures, are unprecedented in the history of the data series going back nearly a century both at the state and national level



Unemployment Rates

- The regional unemployment rate dropped to **3.8%** in Region 6E
 - 53 of 87 counties have a lower rate now than March
 - But all but 1 county (Red Lake) have a higher rate now than in Sep. 2019
 - 78 out of 87 counties have a smaller labor force now than in Sep. 2019
- *How bad is it?*
 - *It depends...*
 - *Industries*
 - *Regions*
 - *Counties*
 - *Occupations*
 - *Person*

Unemployment Rates in Workforce Service Areas and Counties, Sept 2020
State of Minnesota = 5.4% (not seasonally adjusted)



Source: MN DEED, LAUS
Prepared by DEED (ABR)
Oct 19, 2020

Unemployment Insurance Applications Statistics

- <https://mn.gov/deed/data/data-tools/unemployment-insurance-statistics/>

- **Kandiyohi Co. has had 5,257 applications**

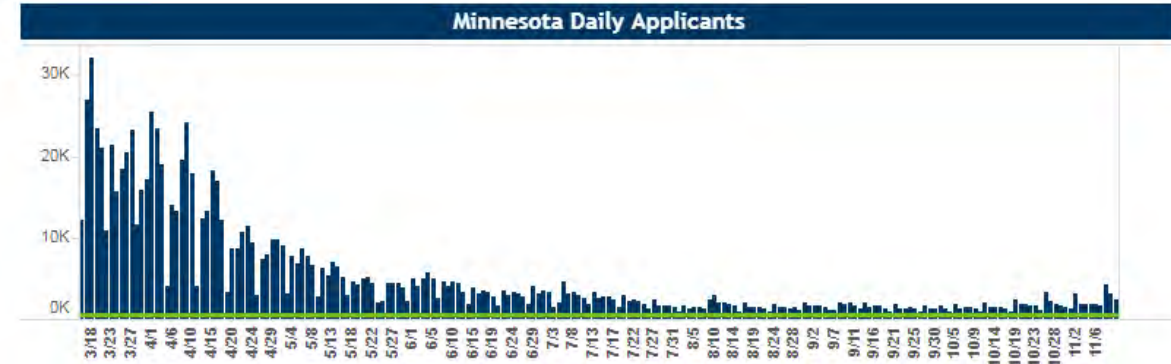
- 20.7% of labor force
- State = 33.3% of labor force

- **Demographic details looking at:**

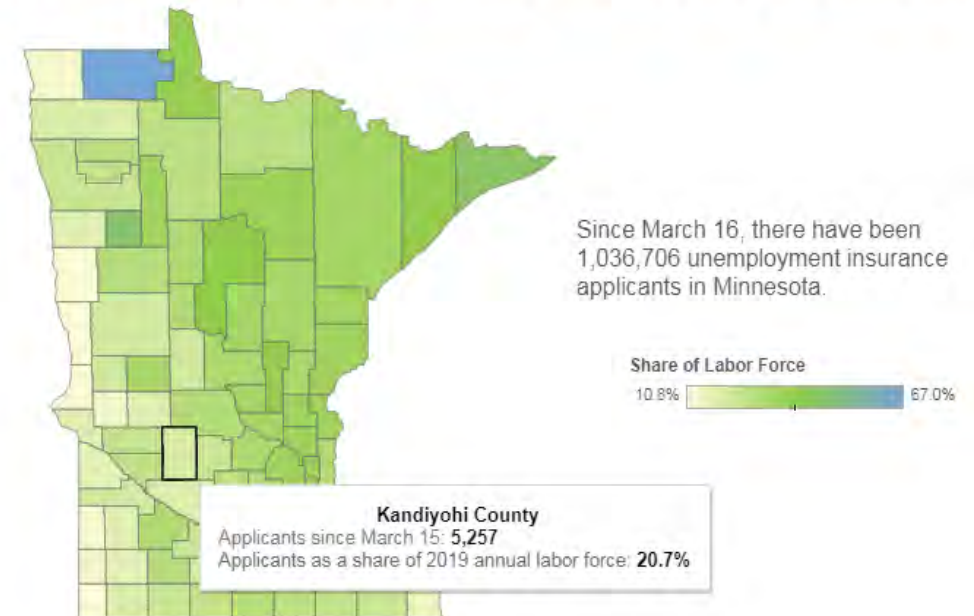
- Age = 43% were under 35; 37% were over 45
- Education = 49% had H.S. or less; 12% bach+
- Gender = 53% female; 47% male
- Race & Ethnicity = 70% white (94% of labor force) 13.4% Hispanic (6.7%); 11.4% Black (1.4%)

- **Occupational details at the 3-digit SOC Code level**

- Construction Trades Workers
- Retail Sales Workers
- Food & Beverage Serving Workers
- Nursing & Home Health Aides
- Other Production Occupations
- Food Processing Workers
- Cooks & Food Prep Workers

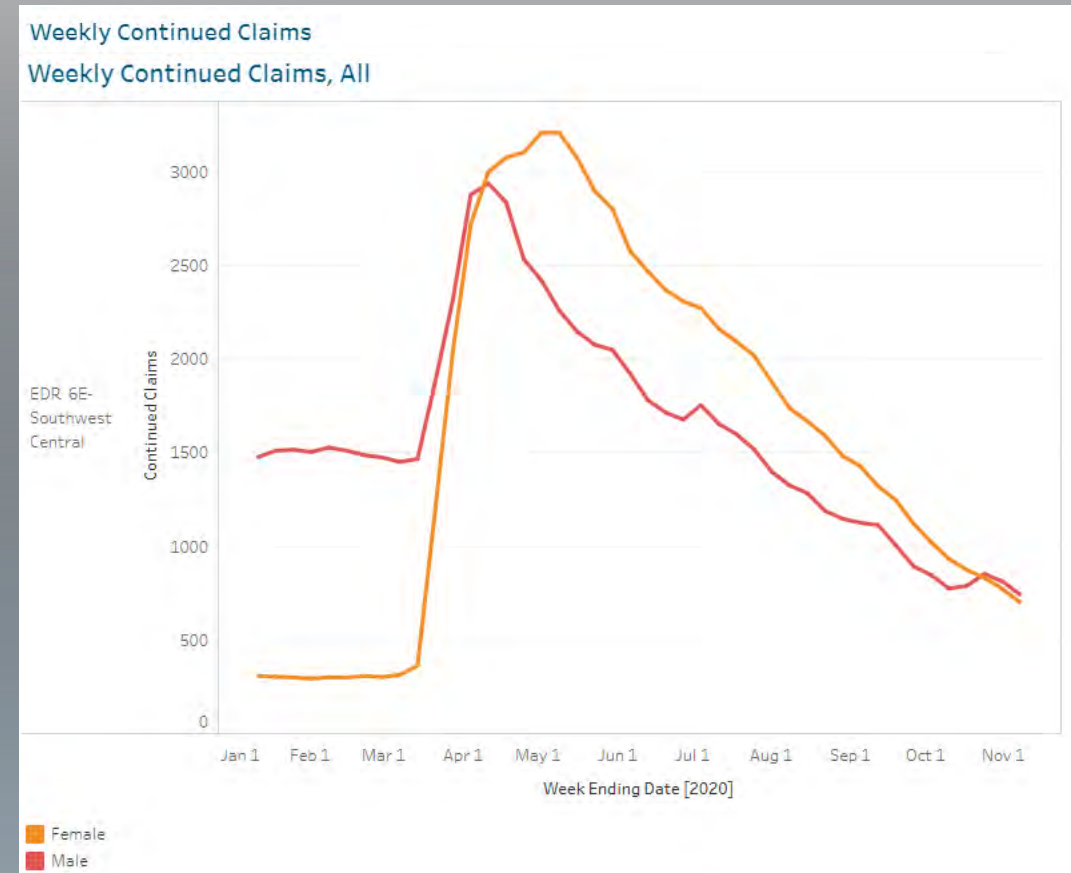


Cumulative UI Applicants by County from March 16 to November 11, 2020 as a Share of 2019 Annual Labor Force



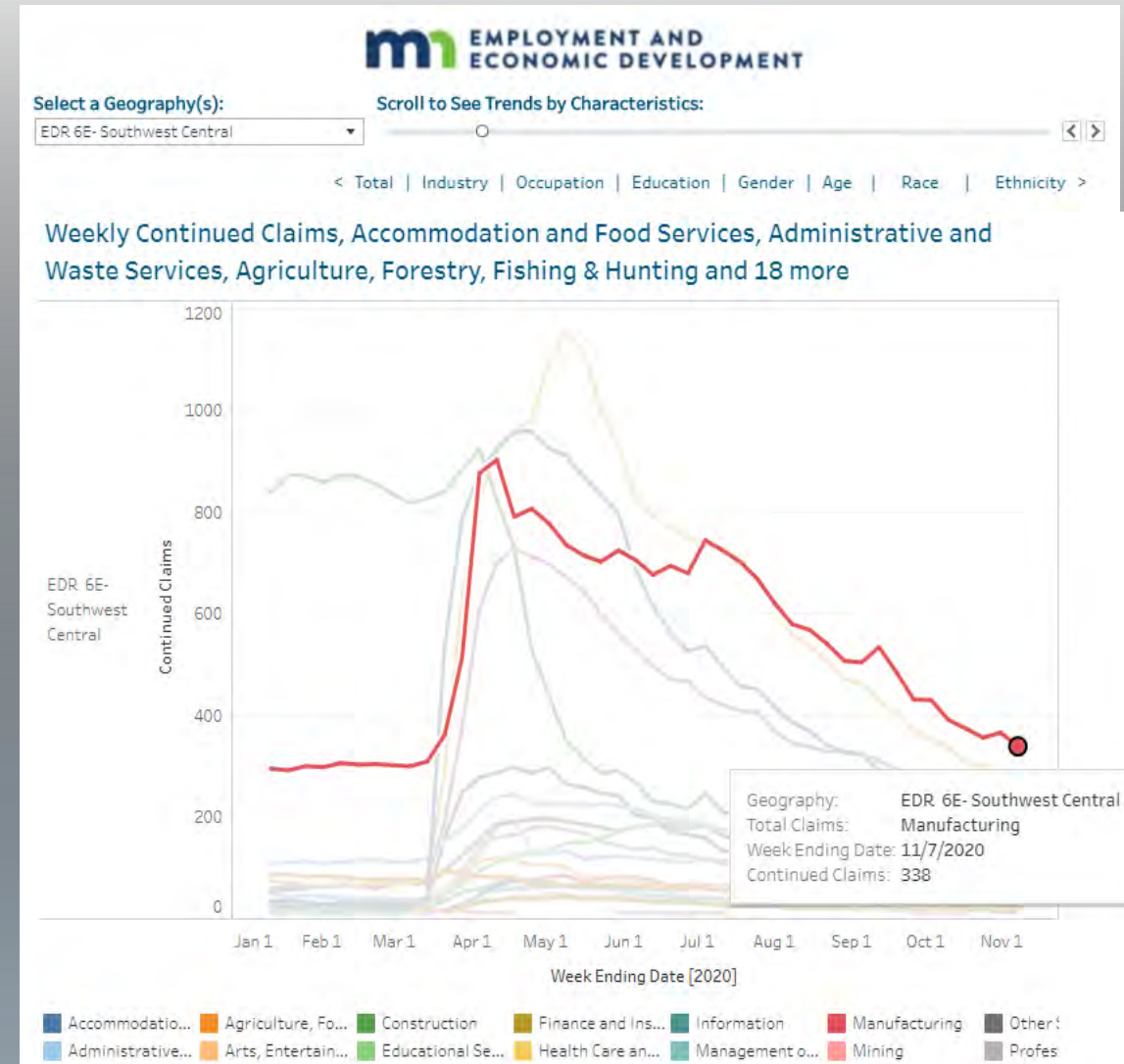
Unemployment Insurance Claims Statistics

- **Statewide, there were 89,328 continued claims in the week ending 11/7/20**
 - Down from a peak of 405,361 on 5/2/2020
 - About 112,000 people still on PUA (self-employed) – staying consistently high
- **In EDR 6E, there were 1,438 benefits requests**
 - Down from 1,823 the week ending 3/14/20
 - Down from a peak of 5,929 on 4/11/20
 - Peaked earlier; recovered much faster
- **Layoff activity has affected females more than males**
 - Females = 48.5%; prior to COVID = 19.7%
- **Younger workers (under 22, 22 to 29) have been more affected than normal**
- **Workers at all levels of education have been impacted, but lingering for less...**



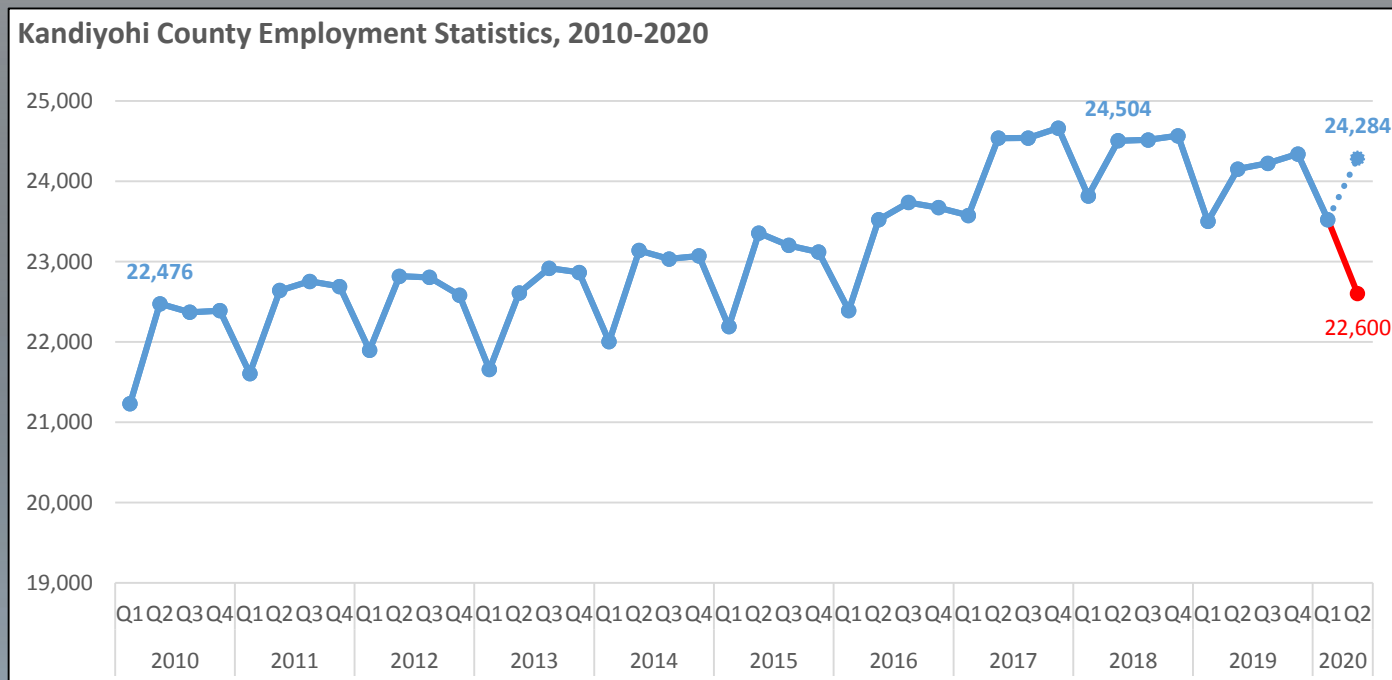
Continued Claims

- Certain industries have been hit harder
 - Manufacturing has seen several spikes
 - Now has the highest number of claims
 - Health Care & Social Assistance saw a later peak, the most claims, and a slower decline
 - Accommodation & Food Svcs. peaked quickly, dropped throughout the summer
 - Down to 107 claims; though that is still up from 37 claims in 3/14/20
 - Retail Trade was hit initially, but has recovered and sales are actually up from 2019 (online)
 - Construction dropped due to seasonality
 - Other Services has self-employed



Employment Updates

- Minnesota was down -294,539 jobs from Q1 to Q2 (-10.3%)
 - Huge losses in Accom. & Food Svcs. (-90,051) and Arts & Recreation (-45.8%)
 - Job losses in Health Care & Social Asst., Retail Trade, Other Services
- Kandiyohi Co. was down -923 jobs from Q1 to Q2 2020 (-3.9%)
 - On average, Kandiyohi Co. adds +767 jobs from Q1 to Q2
 - Would have expected 24,284 jobs in Q2



Minnesota Employment Statistics	Q1	Q2	Change Q1-Q2	Change Q1-Q2
Total, All Industries	2,852,388	2,557,849	-294,539	-10.3%
Agriculture, Forestry	20,212	23,085	2,873	14.2%
Mining	5,459	5,210	-249	-4.6%
Construction	117,649	130,860	13,211	11.2%
Manufacturing	319,245	301,841	-17,404	-5.5%
Utilities	13,379	13,367	-12	-0.1%
Wholesale Trade	127,519	122,933	-4,586	-3.6%
Retail Trade	286,557	252,863	-33,694	-11.8%
Transportation & Warehousing	110,272	101,507	-8,765	-7.9%
Information	49,146	45,272	-3,874	-7.9%
Finance & Insurance	147,482	146,447	-1,035	-0.7%
Real Estate & Rental & Leasing	34,708	32,787	-1,921	-5.5%
Professional & Technical Services	159,993	152,130	-7,863	-4.9%
Management of Companies	89,183	84,588	-4,595	-5.2%
Admin. Support & Waste Mgmt.	127,694	111,077	-16,617	-13.0%
Educational Services	245,298	219,208	-26,090	-10.6%
Health Care & Social Assistance	504,172	464,329	-39,843	-7.9%
Arts, Entertainment & Recreation	48,575	26,307	-22,268	-45.8%
Accommodation & Food Services	223,822	133,771	-90,051	-40.2%
Other Services	89,004	61,794	-27,210	-30.6%
Public Administration	133,012	128,467	-4,545	-3.4%

Employment Updates

- **Kandiyohi Co. was down -923 jobs from Q1 to Q2 2020 (-3.9%)**
 - On average, Kandiyohi Co. adds +767 jobs from Q1 to Q2
 - Would have expected 24,284 jobs in Q2; down -1,684 jobs (-6.9%)
- **Kandiyohi Co. saw a less severe downturn**
 - Significant, but smaller, declines in the same industries (Accom. & Food Svcs.; Health Care)
 - Actually increased Arts, Entertainment & Rec.
 - Much bigger bump in Construction
 - Small increase in Admin. Support Svcs.
 - Temporary staffing agencies; building cleaning

Kandiyohi Co. Employment Statistics	Q1 Jobs	Q2 Jobs	Change Q1-Q2	
Total, All Industries	23,523	22,600	-3.9%	-923
Construction	934	1,260	34.9%	326
Manufacturing	3,631	3,602	-0.8%	-29
Utilities	95	95	0.0%	0
Wholesale Trade	751	747	-0.5%	-4
Retail Trade	2,956	2,692	-8.9%	-264
Transportation & Warehousing	574	582	1.4%	8
Information	375	350	-6.7%	-25
Finance & Insurance	481	458	-4.8%	-23
Real Estate & Rental & Leasing	111	111	0.0%	0
Professional, Scientific, & Technical Services	497	484	-2.6%	-13
Management of Companies	113	116	2.7%	3
Admin. Support & Waste Mgmt. Services	714	729	2.1%	15
Educational Services	1,669		N/A	N/A
Health Care & Social Assistance	6,030	5,771	-4.3%	-259
Arts, Entertainment, & Recreation	182	203	11.5%	21
Accommodation & Food Services	1,563	1,105	-29.3%	-458
Other Services	563	416	-26.1%	-147
Public Administration	976	928	-4.9%	-48

Source: DEED Quarterly Census of Employment & Wages

Hiring Activity

- **10,727 job vacancies in Central in the Q2 2020 Job Vacancy Survey**
 - Only down about -2,700 job vacancies from last summer
 - Largest number of vacancies in Retail Trade (2,371); Accom. & Food Svcs. (2,036) and Health Care & Social Assistance (1,798)
 - In Central, both Retail Trade & Accom. & Food Svcs. were nearly identical compared to 2019; Health Care & Manufacturing were both down
- **More than 725 jobs posted in Region 6E on Minnesotaworks.net on November 18**
 - Registered Nurses (associate's degree)
 - Heavy & Tractor Trailer Truck Drivers (high school, CDL)
 - Nursing Assistants (vocational training)
 - Software Developers (bachelor's degree)
 - Customer Service Representatives (high school)
 - Personal Care Aides (high school)
 - Retail Salespersons (high school)
 - First-Line Supervisors of Retail Sales Workers (high school)
 - Helpers – Production Workers (high school)

CareerForceMN.com Blogs & Occupations in Demand

- We've been using CareerForceMN.com to communicate about occupations in demand during the pandemic – to help jobseekers who may switch from temporary layoff to permanent layoff to know where to go and what is available...

- Healthcare

- PCAs
- CNAs
- HHAs
- RNs & LPNs

- Software Developers

- Transportation, Repair, Production, Office & Admin.

Jobs in demand now in Minnesota:

CareerForceTM

Minnesota's Career Resource

Personal Care Attendant

On the frontlines of the health care and social assistance industry, Personal Care Aides (PCAs) are one of the fastest growing and most in-demand jobs in Minnesota right now. Typically working with either the elderly or people with disabilities, PCAs assist with daily living activities at the client's home or in a care facility. In addition to doing basic housekeeping chores like making beds, doing laundry, washing dishes, and preparing meals, PCAs form helpful relationships with clients.

Demand:

- Demand remains high for PCAs across the state.
- There were more than 6,600 job vacancies for PCAs in Minnesota in the fourth quarter of 2019, and it was the most commonly posted job on the major job banks in Minnesota through the month of April 2020.

Education Required:

- High school diploma
- On-the-job training to learn how to administer basic health care or medical treatments and document progress of clients

Previous experience required:

- None

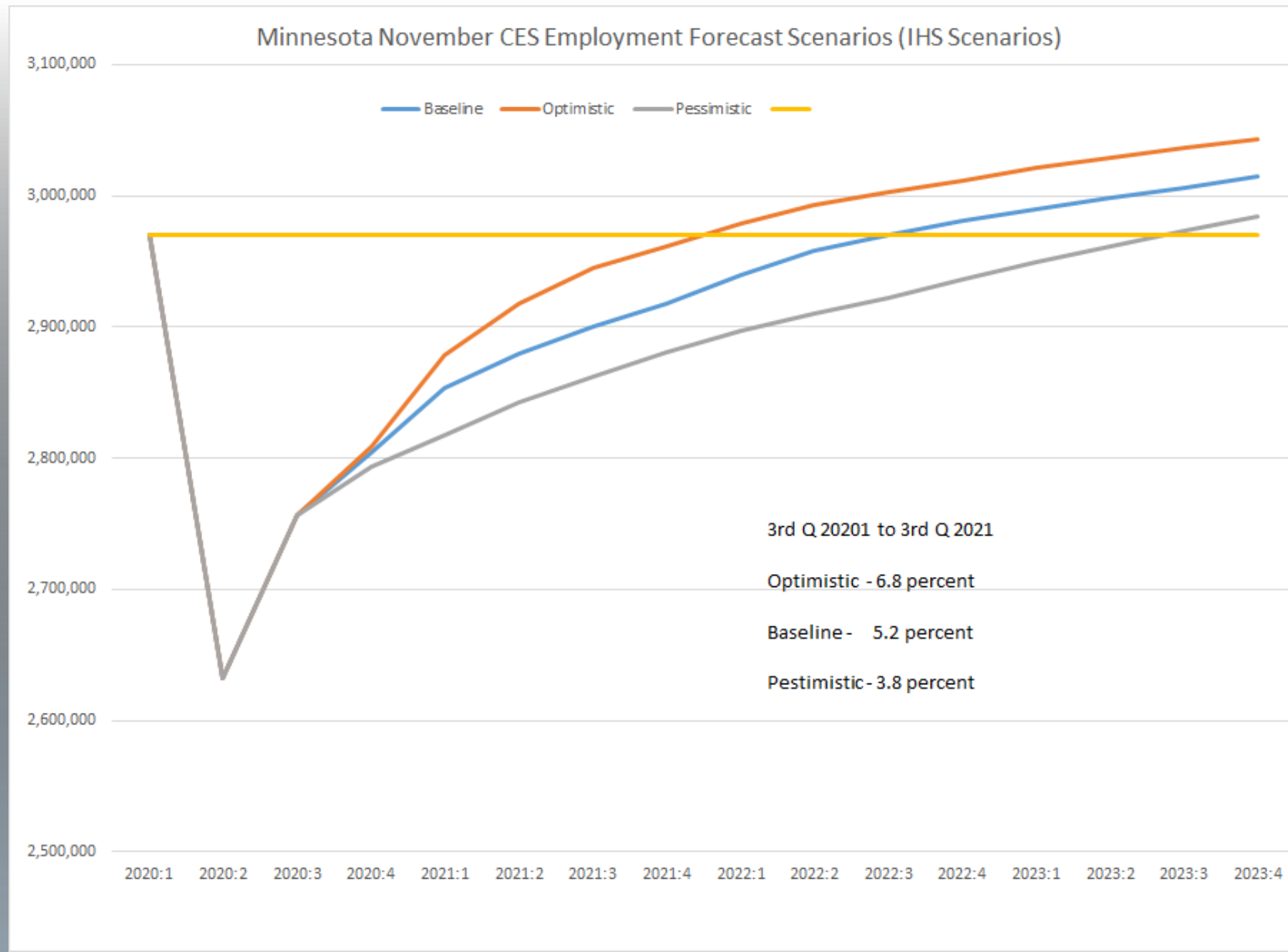
Skills required:

- Strong personal relationship skills
- Excellent customer service skills
- Ability to meet quality standards and follow instructions and rules



Future Outlook

- The baseline scenario gets us back to break even by Q3 2022
- A more pessimistic scenario pushes that out for another year
 - Break even by Q3 2023



Summary

- The speed and scope of this job loss is unprecedented
- Statewide, people are dropping out of the labor force
- Job losses have hit women, young people, workers with less education, and workers of color harder
 - Unemp. rate gaps that had shrunk are widening again
- Job losses have hit certain industries harder than others
 - Manufacturing; Health Care & Social Assistance; Leisure & Hospitality
- Job losses have hit certain regions of the state harder than others
 - Layoffs are lingering in the Twin Cities
- But jobs are coming back, and there are jobs available for job seekers
 - Many without higher educational requirements
- The recovery will take time; and depend on the virus

THANK YOU!

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- cameron.macht@state.mn.us
- Labor Market Information Office
- <http://mn.gov/deed/data/>

DEED's Regional Analysts

We've got you covered...

