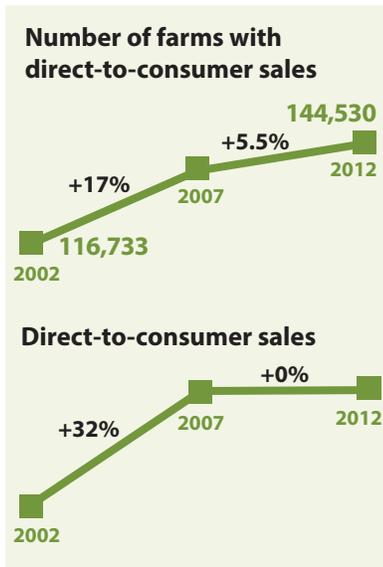


AGRICULTURE



Direct sales

According to the USDA, Economic Research Service, the number of farm operations with direct-to-consumer (DTC) sales of food increased significantly between 2002 and 2012. DTC sales revenue meanwhile, increased substantially between 2002-2007, but leveled off from 2007-2012.



Census of Agriculture 2012

The number of farms in Chester County decreased slightly between 2002-2007, but remained steady between 2007-2012. It is important to keep in mind that some farms may cease operation or consolidate while new farm businesses will be started.

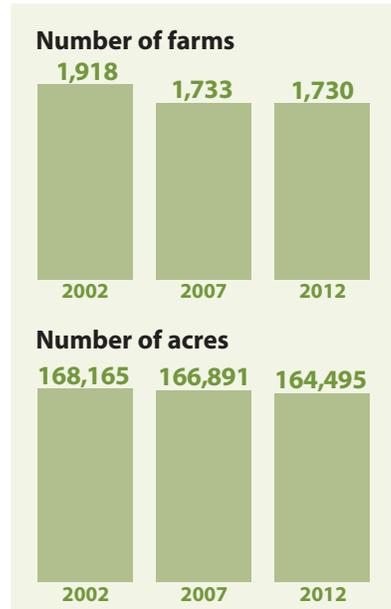
The County lost approximately one percent of farmland between 2002-2012. Factors that may have influenced farmland retention include less development pressure since 2008, and the ongoing efforts to preserve farmland by public and private entities. In addition, while the county's population continues to grow, urban living opportunities help reduce pressure for sprawl.

Chester County ranked **2nd** among all 67 Pennsylvania counties in the total value of **agricultural products sold** with annual sales of \$660,744,000 (ranked 54th of over 3,000 counties in the U.S.).

Chester County ranked **1st** in PA and 1st in the U.S. in the value of **nursery, greenhouse, floriculture, sod and mushrooms** with sales of \$475,480,000. Mushrooms accounted for \$396,757,000 of the total value.

Chester County ranked **2nd** in PA and 22nd in the U.S. in the value of **horses, ponies, mules, burros, and donkeys** with sales of \$5,249,000.

Chester County ranked **6th** in PA in the value of **milk from cows** with sales of \$73,185,000 (ranked 112th in the U.S.).



There is continued consumer interest in purchasing local farm products

According to the USDA, consumers' top reasons for buying locally grown foods include:

- 1 Freshness
- 2 Supporting the local economy
- 3 Taste

Many local producers use a direct-to-consumer business model, and/or develop value-add products from their primary "traditional" operations (e.g. cheese or yogurt from dairy).



Global demand may create foreign market opportunities

According to the Food and Agriculture Organization of the United Nations, global population is estimated to reach 9.6 billion by 2050. That will require world food production to rise significantly (60-70%), and food production in the developing world will need to double. The USDA recognizes that global economic performance and population growth drive demand for food and agricultural products, providing the foundation for agricultural trade and U.S. exports.

“Market forces impact the agricultural sector of the economy and require producers to stay on the cutting edge of technology to remain viable.”

USDA National Institute of Food and Agriculture

Use of technology keeps farmers competitive

Technology aids farmers in a variety of ways including the ability to get information and manage risk, increase performance and yields, protect the environment, and manage their operations.

Evolving federal, state and local regulations continue to impact the agricultural industry

Efforts mandated by the Clean Water Act continue to require farms to reduce pollution to the Chesapeake Bay, while new regulations such as food safety and animal welfare standards have emerged, requiring rapid and significant response. This can stress available resources and cause financial instability. Regulations such as ACRE are still not well understood and issues with municipalities continue to arise.

Finding and retaining a skilled labor force

Immigration policies are unclear and do not meet industry demand. PA Farm Bureau states, “U.S. agriculture faces a critical shortage of workers every year, as citizens are largely unwilling to engage in these rigorous activities and guestworker programs are unable to respond to the marketplace. This situation makes our farms less competitive with foreign farmers and less reliable for the American consumer. Securing a reliable and competent workforce for our nation’s farms is essential to agriculture and to the U.S. economy.” (March 2016) Locally, there is competition for the same pool of workers among agricultural sectors as well as from the manufacturing industry.

HELP WANTED
INQUIRE WITHIN

Infrastructure/Industry Support

While Chester County has some very important support services/industries, such as New Bolton Center, we rely heavily upon the larger region (i.e. Lancaster County) for many other services. Encouraging agricultural support businesses may be one area to examine for agricultural economic development. One positive factor is our proximity and access to markets.



Farm transition and the next generation

The average age of a Pennsylvania farmer is 56.1. Support professionals (ag organizations, attorneys, money managers, etc.) are available to help with farm transitions, however many families have not created a transition plan. A primary issue to consider is how to bring the next generation onboard (for experience and income generation) while the primary operator is still working and/or receiving an income.

Uncertainty of climate change and weather events

Our high quality soils and adequate rainfall may provide opportunities for Chester County farms as other parts of the nation experience drought. However, the Pennsylvania State University notes that our three largest industry sectors (field crops, nursery and greenhouse, and dairy) may be negatively impacted by climate change.

