Pennsylvania Association for Sustainable Agriculture
PASA WEST
June 2006

Regional Food Infrastructure Network

Develop a business plan that links farms, businesses and consumers in the production, processing, distribution, marketing and purchasing of value-added products in the 19 counties of Western PA.

2nd Advisors Meeting

Wednesday, June 21, PASA West hosted 28 attendees at family-owned Soergel's Orchard in Wexford, PA. There was diverse geographic representation by attendees, most of whom were representatives from state and county agriculture agencies and economic development agencies. Farmers present on this first day of summer: Don Kretschmann, Ron Gargasz, T.L. Ferderber, Kris Good (also USDA), Rose Kendall (Indiana County Extension).

This month's E•Newsletter focuses on the content presented at the Advisor Meeting: namely, Report One, and the RFIN 2006 Farmer Survey....

Report One:
Agriculture Structural Analysis
Executive Summary

Suumary by Suzy Meyer; Report by Tripp Umbach

The long-range intent of the Regional Food Infrastructure Network (RFIN) is to develop a regional food system in the 19-county region of Western Pennsylvania that focuses on value-added food production. This 18-month long project will result in a business plan that will identify: value-added food products that regional farms are interested in producing; businesses that are interested in assisting these farms with the processing, distribution and/or marketing of these products; and, outlets

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Highlights from the RFIN 2006 Farmer Survey

% of farmers over age of 50:	76
% farming as full-time occupation:	50
% farming over 100 acres:	49
% farming less than 3 acres:	3
% of farms operating at capacity:	51

Top five types of produce in 2005:
corn, tomatoes, potatoes, peppers, hay
Top five types of livestock in 2005:
beef, dairy, sheep, chickens, hogs/pigs

# respondents producing milk in 2005:	39
# respondents producing milk in 2006:	31

Top value-added item that respondents would like to produce: cheese

% Product yield sold within respondents' county where farm is located:	69
% Product yield sold outside of county, but within PA:	53
% Product yield sold outside PA:	31

A total of 3,287 surveys were mailed out, 313 survey responses were received. This is a 9.7% response rate and is considered statiscally valid. The margin of error is +/- 5.3%.

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where consumers can purchase or eat these products.

Five reports will be generated in the RFIN project. The goals of Report One: Agriculture Structural Analysis are two fold:

1) Gain a broad view of existing agriculture conditions in the 19 counties of Western Pennsylvania.

2) Understand agricultural trends in Pennsylvania and nationally.

Using data from the 2002 Census of Agriculture and IMPLAN, Tripp Umbach has outlined agricultural profiles for each county including sales by commodity group, top livestock and crop items, quantity of farms by type, and economic characteristics. The first report also covers, farm employment, market value of agriculture sales, and trends in government subsidies over five years. Altogether, the Agriculture Structural Analysis provides PASA an opportunity to interpret data at regional and county levels.

Although the RFIN project focuses on edible food products, this first report relies on the most current USDA agriculture census data which includes edible and non-edible agriculture products. Data findings and figures in this report include categories such as fiber and horses (horse farms). Later reports will focus on edible products only.

Western Pennsylvania Perspective

Western Pennsylvania generates nearly $4.1 billion in agriculture industry output and employs almost 34,000 people. Five counties lead output and jobs, they are: Allegheny County (the largest county and regional hub, generating $1.5 billion in industry output and nearly 6,000 jobs), followed by Erie,

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MORE Highlights from the RFIN 2006 Farmer Survey

% of farmers operating a farm market: 28
% interested in expanding: 46

Number of farmers' markets named: 55
Top four named by sellers: Beaver Falls, Ligonier, Ambridge, Meadville

% selling produce to wholesale: 28
% selling produce to grocery stores: 34
% selling direct to restaurants: 22
% interested in being part of a group that markets to above venues: 44

% familiar with product "branding": 66
% interested in being part of a group that brands regional products: 41
Top five items for branding: onions, tomatoes, corn, blueberries, Concord grapes
% familiar with idea of farmers and/or businesses doing value add production: 51
% interested in being part of a group growing a product for value add processing 43

% wanting to learn business planning: 31
% wanting to learn financial planning: 30
% wanting to learn marketing planning: 41

% needing organic certified facilities: 15
% needing organic meat processing: 28
% wanting training in organic farming: 9

Questions? Contact David Eson
david@pasafarming.org
412.697.0411

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Westmoreland, Mercer, and Somerset Counties.

In the five-years from 1997 to 2002, Western Pennsylvania averaged a decline in the **Market Value of Agriculture Production** (*total sales*) of (5.5%). On a county by county basis, the changes in Market Value of Agriculture Production between 1997 and 2002 varied significantly. Counties with the greatest increases: Indiana (19%), Armstrong (12%), and Washington (8%). Counties with the greatest decreases in market value: Forest (37%), Jefferson (28%), and Allegheny (20%).

The wide variations between counties is due to numerous and likely complex factors. Through the course of this project, we intend to have a better understanding of why.

Government Payments (*direct cash payments from the government to farmers for disasters, loan deficiencies, conservation programs*) from 1997 to 2002 averaged a (137%) increase across the region. Again, counties varied significantly. Those with the highest increases include: Jefferson (311%), Warren (263%), and Somerset (257%). Only Allegheny County received a (50%) decrease in government payments. A sample payment: In 1997, Washington County farmers received $362,000 in government payments compared to $872,000 in 2002. On average per farm, this represents a (93%) increase from $1,325 in 1997 to $2,551 in 2002.

From 1969 to 2002, **Total Employment** (*all jobs in all industries*) in the region averaged a cumulative increase of (37%) or (1.1%) per year. Counties that experienced the highest average annual employment growth: Butler (3.03%); Westmoreland (1.84%); Clarion (1.68%). Counties with the lowest average annual employment growth: Warren (.12%); Lawrence (.18%); Beaver (.42%). During the same 33-year period, **Farm Employment** (*farm production-related jobs*) in Western PA increased by a cumulative average of (3.4%) or (.001%) per year. Counties with the highest average annual farm employment growth only ranged between (1 to 2%). They are: Armstrong (2.09%); Butler (1.36%); Beaver (1.18% annually). Counties with the lowest average annual farm employment registered less than (1%). They are: Crawford (.33%); Somerset (.60% annually); and Erie (.72%).

National Trends

Regarding national trends, Pennsylvania like the rest of the country is experiencing what is referred to as **"the disappearing middle"** of American agriculture—a declining number of mid-sized farms with annual sales in the $2,500 to $500,000 range. Other national trends in the Commonwealth:

- Increasing number of **consumers eating healthier foods.**
- Increased **organic foods** production.

Some trends across the country successfully promote and profit farms and farm businesses, yet have only a minor presence here.They are:

- **Agritourism** (*any business conducted by a farmer for enjoyment or education of the public, to promote farm products and generate additional farm income*) in states like California and Vermont is helping small and mid-size farms gain economic sustainability.
- **Information technology** systems (*electronic exchange of consumer sales data and inventory management*) help food supply chain agents including producers, manufacturers, and retailers deal more efficiently and profitably.
- **Product branding** (*geographically-based quality niche products*) has proven very successful in some regions of the United States and Europe. It is currently implemented here on one or two products.

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