



Forward-Looking Investments in Agriculture for Economic Vitality

Indiana County Sustainable Economic
Development Task Force

September 28, 2018

Challenges

- Agriculture today has lots of challenges...
 - The dairy industry is in crisis as low demand has led to high supply and lower costs
 - Commodity crop prices are in a tailspin as the US engages in a tariff war with the world
 - Water quality problems continue to be blamed on agriculture
 - People are leaving farming as they cash their mineral rights checks

Challenges

- However, there is often no one to take their place as they leave
- Finding people to work in the ag and food business is difficult and getting worse
- Invasive species of insects threaten to wipe out our trees
- The largest industry in the state – the ag and food industry – is routinely ignored by people who should know better

Some Answers

- Diversification
- Understanding markets
- Collaboration to bring to scale
- Being proactive about regulation
- Creative succession planning
- Solve the workforce shortage
- Think globally, act locally

Diversification

- New Dairy Plan advocates look at other uses for milk as there is a clear glut of fluid milk
- This is the point of the newly passes grant program that supports new product development
- However, we also need to look at the diversification of our product lines on the farm
- Maybe our dairy operations need to look at some other options.

Diversification

- Some of those include...
 - Ducks
 - Sheep, lambs, and goats
 - New grains
 - Organic produce
 - Small flock poultry
- We may also need to diversify our markets...
 - Local
 - Regional
 - National

Understand the Customer

- We also need to understand the customers in those markets better
- Younger people think differently about food.
- They want to know where their food comes from. They prefer to buy local. They want their food to be traceable. They are concerned about GMOs
- All of these buying habits come back to the producer

Collaborate to Bring to Scale

- We are going to have to think differently about how we bring product to market which requires us to aggregate and bring to scale if we want to do more business
- This will require us to think bigger and work with others.
- PDA is looking at interventions that involve clusters of production activity of which we have several – grapes, fruit, mushrooms, and dairy.

Being Proactive about Regs

- We hate to be regulated but that flies in the face of the consumer who demands safe food. We need to be more proactive and work together around food safety and other regulatory issues.

Creative Succession Planning

- Someone needs to figure out this matter of transferring farmland from one generation to another...not necessarily to someone in the family.
- There are in and from outside of the farming community who are interested but just can't seem to make it work financially.
- Isn't this a problem that we can solve? Here in Indiana County with some local ingenuity.

Solve the Workforce Shortage

- PDA estimates 75,000 new and replacement jobs in the agriculture and food industry in the next ten years
- Our traditional pipelines are empty and training beyond high school misdirected.
- Many of the new jobs require STEM skills; even traditional jobs are more demanding with regard to skills

Solve the Workforce Shortage

- No matter what you hear, we do not have enough workers in the ag and food industry.
- We need a system that will allow people from other countries to come here to work.
- The workforce shortage actually can quickly become an economic development problem. Companies will go where they can find skilled workers. Farms will also fail in the absence of the talent that they need to produce what they grow.

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act locally

Questions and Comments

Contact

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