

Could organic frozen processed vegetables expand farmland acreage and open a profitable market in Thurston County?

As many folks know, the Thurston County extension office conducted a farmer needs assessment over the past year. That report offered useful insight into producer needs, raising important questions about regulations, land and water availability, market shifts, and interest in practical on-farm research and networking opportunities among farmers.

Among the opportunities for research and education coming out of this work, many farmers commented on food system infrastructure gaps in the south Sound region. Folks suggested a need for dry, refrigerated and frozen storage, food processing facilities, grain mill capacity, a warehouse for aggregation, distribution and collective marketing, and others. Some comments resonated with work completed by the former Thurston County WSU Extension Director, Lucas Patzek. He and Sarah Rocker from The Evergreen State College completed a *Farms to Market Assessment* in 2014, which reported on the potential of shared marketing to reach regional wholesale and restaurant markets.

I've been reflecting on the Needs Assessment results, and discussing food processing facilities with several farmers in the region. I've also been reflecting on farmland acreage changes in Thurston County, and the relationship between the two.

Concerning farmland in the County, USDA, WSDA, and other sources indicated that measures of farmland and farmed acreage is variable, and appear to record acreages somewhat different; however, long-term trends show considerable loss. A fairly recent GIS analysis by a local graduate student in 2009 indicated there were about 68,000 acres of farmland in Thurston County¹. The 2007 and 2012 Censuses of Agriculture recorded roughly 80,000 and 76,000 acres respectively. Yet the 1950 county agriculture census reported 170,640 acres. Gauging by more recent Ag Census figures (since 1978), the county has experienced a modest increases from 63,610 acres to the 2012 figure above.

One question I've asked myself is whether a long-term downward trend and potential modest rebound signals a turnaround, and good health, for agriculture in the county? Other figures add somewhat to the picture. From 1978 to 2012, farm size decreased from 103 to 57 acres, and the number of farms increased from 618 to 1,336, with a high of 1,555 voluntarily reporting in 2002. Evidently, small farms have proliferated, as 93 percent of operations qualify as "small" according to the USDA (gross sales under \$50 thousand), and by more modest measures over half gross under \$2,500. Figures that may explain the expansion of small farms are changes in consumer direct sales in the county, which increased from \$904 thousand in 1997 to \$3.4 million in 2012, an increase of 376 percent; and many small farms utilize consumer direct marketing channels.

All this is not new to many in the region, and nationally, who interpret direct consumer sales as staunching the loss of farmers, attracting new operations, and leading to modest year-to-year gains in market value of agricultural product sold, which increased from \$118 million to \$122 million in Thurston County between the 2007 and 2012 Ag Censuses.

Recently I was talking with Brian Thompson, a long-time farmer in the region, about crop production trends and agriculture infrastructure. He was somewhat less sanguine about the health of

¹ <http://www.communityfarmlandtrust.org/thurston-county-farmland-inventory.html>

the agriculture industry, having witnessed a good portion of the loss of 100,000 acres of farmland since 1950, and the loss of grain markets, grain mills and other processing facilities in Lewis and Thurston Counties.

In conversation, Thompson noted that crop production is dominated by hay and forage, suggesting it was about the only remaining large-scale reliable crop, given low grain prices and no vegetable processing buyers. What does this say about the health of crop production in Thurston County? Will relatively small-scale vegetable operations be enough to protect the larger tracts of farmland, and sustain rural economies into the future? The big market-value producers currently in the county are greenhouse, sod and floriculture producers, which generate nearly \$40 million in sales and account for one-third of agricultural sales annually. How to support this industry is another story.

The current rumination is what crop production can contribute. One thing for certain is that many are interested in the economic development opportunities that come with a vital regional food system. We know that one-half of a job is created in ancillary business activity for every agricultural job that is focused on a regional food system². And the economic multiplier effect of dollars spent in a region with many small farms, like Thurston County, is as high as 2.6³; meaning the \$3.4 million consumer direct sales in Thurston County in 2012 generated an additional \$8.8 million benefiting other local businesses.

Nevertheless, what Thompson says is true. Based on USDA figures, cropland in Thurston County is dominated by hay and forage operations, and that domination has increased. Between 1978 and 2012, forage cropland as a percent of total cropland increased from 37 percent to 68 percent. Meanwhile, vegetable acres as a percent of total cropland decreased from 2.3 percent (never large) to 1 percent in the same time period. One percent. That equated to a 66 percent decrease in vegetable acreage, from 636 acres in 1978 to 233 acres in 2012. Perhaps most importantly, lost acreage was not made up by forage and hay production; forage and hay production as a percent of total cropland increased because both total cropland and vegetable cropland declined.

USDA figures leave something to be desired, in that reporting is voluntary and Censuses infrequent (every five years). Nevertheless, robust community support at farmers' markets, farm stands and box-subscription programs, based on our best (and possibly incomplete data), constitute only 0.3 percent of agricultural sales in the United State derive from consumer-direct transactions. In Thurston County, available data indicates sales of edible crops accounts for 4 percent of agricultural production at around \$4 million.

So what to make of this? While it is important to not read too much into statistics, it may be important to question whether, in the south Sound region, too many farmland acreage eggs have been put in to the hay and forage basket. What rural economic development opportunities could be generated by increasing acreage vegetable crop production (in addition, not in place of, the hay and forage ground already in production) by several hundred acres?

A rudimentary thought experiment can help us imagine: utilizing green beans as a randomly selected crop, three hundred additional acres of production sold into a regionally-focused processing

² https://www.ers.usda.gov/webdocs/publications/46393/7054_err97_1_.pdf?v=42265

³ <http://www.crcworks.org/lfced.pdf>

July 2017

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market (by very rough back-napkin calculations, and assuming a \$3/lb value-added price to the farmer) would potentially generate \$10 million in sales. With a 2.0 multiplier value, that could result in an additional \$30 million in economic activity to local businesses.

The skeptical and wise among us will look at these figures and balk at 300 acres of frozen green beans all selling for \$3 a pound. Lofty as that may be, I recently visited a co-op in White River Junction, Vermont, on a few day trip to visit my wife's family. There I saw in the freezer section organic vacuum-sealed "Farm to Freezer" green beans selling for \$4.69/10 oz. bag produced by the Northeast Grown farmer co-op, which comes out to \$7.50/lb.

Of course, many expenses and unknowns exist in that \$4.50 operating margin between a \$3/lb farmer sales price and \$7.50/lb consumer purchase. For instance, what price the market will bear in south Puget Sound, overhead costs such as infrastructure gaps; and the labor force needed to harvest three hundred acres of crop, and then likely need work the rest of the year. We also have a poor sense of the current usage of agricultural water rights in the region, but need to be interested in that issue as well.

Still, we should ask these questions, run these thought experiments, and be aware of what products are being profitably produced elsewhere. With water rights to use, good land to grow on, folks who need employment, and a booming population, a 300 acre increase (and maybe more) doesn't seem too lofty a goal for one part of our regional agricultural system. Perhaps there is a meaningful link to build between farmland acreage and frozen organic processed vegetable in south Puget Sound.