

May 19, 2005

PRESENT: Dr. Charles W. Curry, Chairman  
Charles C. Schooley, Vice Chairman  
Kitra A. Shiflett  
Betty Jo Hamilton  
Mark Grove  
William Bashaw  
Garland Martin  
Clay Hewitt  
Dale L. Cobb  
Beatrice B. Cardellicchio

OTHERS PRESENT: Kay Frye  
Tom Stanley, Virginia Cooperative Extension

ABSENT: Larry C. Howdyshell  
Larry Shiflett  
Bruce M. Bowman

VIRGINIA: Meeting of the Agricultural Task Force Committee held on Thursday, May 19, 2005, at 7:00 P.M., in the County Government Center, Verona, Virginia.

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Chairman Curry asked if there was a motion to approve the minutes from the April 21, 2005 meeting?

Mr. Hewitt moved that the minutes be approved.

Vice Chairman Schooley seconded the motion, which carried unanimously.

Chairman Curry stated that Rick Shiflett from the Shenandoah Resource Conservation and Development Council will not be here tonight to talk to the committee because his mother has passed away. He stated that he would speak to the committee at the June 2, 2005 meeting.

Mr. Bashaw asked what this plan was?

Chairman Curry stated that they are supporting our activities and creating funds for the committee to use. He stated that the committee should address their questions on the funds at the next meeting when Rick Shiflett speaks with the committee.

Chairman Curry stated that at the last meeting the committee prioritized some of the items from the brainstorming items. He stated that at the next meeting the committee should prioritize the strategies so that staff will know which items the committee would like to work on. He stated that at some point the committee should look the opportunities and rank them as well. He asked Mr. Cobb if he has lined up any other speakers for the committee?

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Mr. Cobb stated that they have been trying to contact Dr. Kohl. He stated that they are preparing a report on subdivisions of Exclusive Agriculture land. He stated that staff could be in a position to do that at the next meeting if the committee wishes to do so. He stated that staff is trying to line a speaker up to speak on PDRs. He stated that Mr. Pyles would like to have twenty minutes to speak to the committee on this subject as well. He stated that Mr. Pyles is available for either one of the June meeting dates. He stated that he was not sure if the committee wanted to wait until we lined up a speaker to go over PDRs and have Mr. Pyles come in at that time or before.

Chairman Curry stated that he received a memo that Mr. Pyles would like to speak to the committee as well as Ms. Shiflett wanting to go over sliding scale zoning.

Mr. Bashaw stated that Mr. Pyles is a Board of Supervisor member and if he wants to speak to us he should be able to do that whenever he wants.

Chairman Curry asked how staff was doing on looking up national programs?

Mr. Cobb stated that staff was working on that. He stated that if the committee looks at one item at each of the meetings time will be running out.

Chairman Curry stated that if the committee agrees Mr. Pyles should speak to the committee at the next meeting. He stated that he has added some speakers to his list to come and speak to the committee.

Mr. Cobb introduced Tom Stanley from the Virginia Cooperative Extension who is here to speak to the committee on the Future Viability of Agriculture in Augusta County.

Mr. Stanley stated that he is pleased to be here and is acquainted with many of the committee members. He stated that he wants the best for Augusta County. He stated that his first slide deals with the history of agriculture. He stated that during Pre World War II there were many changes with agriculture. He stated that there were many full time farmers that had 75-150 acres. He stated that many farmers grew wheat in the valley. He stated that there were changes to the economy that Dr. Kohl would be good at addressing. He stated that during Post World War II small farms were either sold or they got larger. He stated that there were larger dairy herds as well as poultry. He stated that much of the cropland was either converted to pasture or let go. He stated that this committee has a huge task before them.

Mr. Stanley stated the USDA's definition of a farm is \$1,000 in gross receipts from the sale of agricultural products.

Mr. Bashaw stated that many people niche farm.

Mr. Stanley stated that may not be considered a farm. He stated that is a farm large enough for someone to make \$30,000 in net farm income or \$40,000. He stated that there is no definite answer.

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Chairman Curry stated that he hopes that Mr. Stanley could answer some of those questions.

Mr. Stanley stated that he put together a slide on the full-time farmer in Augusta County. He stated that he used \$50,000 as the net income for a farm. He stated that the number is arbitrary.

<u>Enterprise</u>	<u>10 yr Average profit</u>	<u>Size for \$50,000 income</u>	<u>Number Acres</u>	<u>Non-Real Estate Capital Investment</u>
Beef Cow/Calf	\$65/Cow	769 Cows	2,350	\$731,000
Dairy	\$355/Cow	140 Cows	300	\$800,000
Broilers	\$20,000/house	2.5 houses	10* (100 – 500)	\$800,000
Turkeys	\$15,000/house	3.5 houses	15* (150 – 700)	\$1,100,000
Greenhouse ornamentals/vegetables	\$2,000 - \$10,000/acre	5 – 25 acres	25	\$350,000

*\*Acres for poultry litter disposal estimated in parenthesis*

Chairman Curry asked how many farmers were included in this study?

Mr. Stanley stated that 1,691 farms and farm operators were included in the 2002 Census of Agriculture.

Chairman Curry asked how many were meeting the \$50,000 mark?

Mr. Stanley stated that 970 said that farming was their primary occupation. He stated that this table is based on the Virginia Tech budgets as well as interviews with farmers. He stated that the beef cattle are long term averages. He stated that in 1996 there was some rough times in the farming industry. He stated that the greenhouse/ornamental farming is growing rapidly in Augusta County. He stated that the County is undergoing demographic changes. He stated that most people would agree that owning real estate is a separate enterprise from the farm.

Chairman Curry stated that land was not included in the capital.

Mr. Stanley stated that in terms of profit there is a land rental charge incorporated with the beef.

Mr. Bashaw stated that land for rent in the County does depend on where you are.

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Mr. Stanley stated that he also has a slide that talks about the part-time farmers. He stated that these are farmers that have a supplemental income. He stated that with the part-time farmer there is lower profitability on beef. He stated that a lot of the part-time farmers are who attend the farmers' markets. He stated that this may be their hobby.

Mr. Stanley stated that there are 1,691 farms and farm operators. He stated that out of that number there are 970 farmers who farm as their primary occupation but 721 of them are not using farming as their primary occupation. He stated that 230 of the farmers did at least some work for to pay off the farm.

Vice Chairman Schooley asked if the spouse was included in these figures?

Mr. Stanley stated no, just the farm operator. He stated that 692 of the 721 farmers worked more than 200 days away from the farm.

Mr. Martin asked if the hobby farmers were in this group?

Mr. Stanley stated yes.

Mr. Stanley stated that 1,267 farms have less than 180 acres. He stated that 675 farms have less than 50 acres. He stated that he took this picture from a 1914 Agricultural Yearbook from the Virginia Department of Agriculture. He stated that on the bottom of the picture it stated that "Everybody at this country home goes to church every Sunday and are community builders. The quiet, peaceful homes in the country make a great national reservoir, from which the large cities are constantly drawing energy, good habits, morals, and religion."

Mr. Stanley stated that during Pre World War II there were many full time farms that had 75-150 acres. He stated the farms included dairy, swine, beef, sheep, and wheat. He stated that during Post World War II there were larger and fewer farms.

Mr. Stanley stated that his next slide is "Food For Thought". He stated the first item on this slide is what is a farm.

Mr. Bashaw stated that a farmer that is making \$50,000 is operating a good organization but it does take multiple families to make the operation successful. He asked how many farmers were living on that \$50,000 income?

Mr. Stanley stated that there is data in the statistics and he would be glad to get that information for the committee.

Chairman Curry stated that it would be good to know if those farmers have extended families. He asked if the \$50,000 included the labor costs or is that the profit for the farmer?

Mr. Stanley stated that this chart was created from a huge database. He stated that he could get that information for the committee as well.

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Ms. Hamilton asked if you could keep 769 cows on 2,350 acres?

Mr. Stanley stated probably not. He stated that he took the number of cows and multiplied it by three acres per cow. He stated that would be the very minimum amount of acreage.

Ms. Hamilton stated that \$50,000 is a clear profit because the profitability goes up and down. She stated that when farmers have had a profitable year they should know a downtime is coming.

Mr. Stanley stated that he took the passed ten years and took an average. He stated that he could easily pick apart the table to gather more information.

Chairman Curry stated that \$65 per cow is not out of line because we are number one in the state of Virginia for cow/calf.

Vice Chairman Schooley stated that \$50,000 is a high number.

Chairman Curry stated that part-time farmers make cow/calf number one in the area.

Ms. Hamilton stated that there are 424 farms that have more than 180 acres. She asked what the breakdown would be for farms larger than 200, 300, or 400 acres?

Mr. Bashaw stated that this chart changes frequently because land is being sold.

Vice Chairman Schooley stated that the land that is less than 180 acres are probably not full time farmers. He stated they may own or rent the land.

Ms. Hamilton stated that she knows a farmer in the 50-180 acre farm range and he worked for years and their farm is fully functioning and operable.

Mr. Hewitt stated that farmers may choose other operations because of the cost aspect. He stated that there are not all cow/calf farmers in the County.

Mr. Stanley stated that he would be happy to put together some more information for the committee on the items mentioned.

Mr. Stanley stated that the next item is the "Food for Thought" slide that asks if the break-up of large land tracts (>300 acres) bad for agriculture. He stated that the next item on the slide would be beef cattle are a by-product of land ownership. He stated that there are beef cattle on land in Albemarle County, Prince William County, and Fauquier County. He stated the next item is what role does agriculture play in the rural character of Augusta County. He stated that agriculture is extremely competitive. He stated that the last bullet on the slide states what are the essential elements of agriculture in Augusta County.

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Mr. Stanley stated that the next slide tells about the key indicators of a vibrant agriculture industry. He stated that an agriculture business infrastructure is made up of equipment dealers, farm supply stores, veterinary services, livestock marketing, fuel and repair as well as many more. He stated that dairy farms are included in the key indicators of vibrant agriculture industry because dairy farms spend money day-in and day-out. He stated that they also use up and break equipment constantly.

Chairman Curry stated that he would consider dairy and poultry an intensive agriculture facility.

Mr. Hewitt stated that most dairy farmers go out of business when the price of milk is at a high price.

Ms. Hamilton stated that the farmers want to sell their operation when the cows are worth more.

Mr. Stanley stated that it does not matter how the market is doing. He stated that a farmer could reach a saturation point where they cannot do the work anymore. He stated that a dairy operation is done seven days a week, two times a day for 365 days a year. He stated that there comes a time when the farmer just needs to let there operation go.

Ms. Hamilton stated that she knows of two brothers who ran a dairy farm. She stated that one of the brothers got hurt. She stated that it took an accident for the farm to hire help. She stated that the two brothers realized that they do not have to be on the farm all of the time.

Mr. Stanley stated that he has four true stories to tell the committee. He stated that this is a 400 acre farm that had seven tracts. He stated that the father had an estate plan and the real estate was the only asset. He had four children but only one was interested in farming. The estate plan gives the farming son a first option to buy the farm at a distinct market advantage. He stated that the farmer son manages to buy his siblings share but must sell some land to reduce the debt. He stated that the farmer is 54 years old and has 275 acres to farm.

Mr. Bashaw asked if the farmer son had another job on the side?

Mr. Stanley stated that he is a full time farmer.

Mr. Stanley stated that story number two involved two brothers that operated a dairy operation together. He stated that the difference between this story and the first one is that this one does not have an estate plan. He stated that this dairy does have some debt. He stated that the brothers passed away within four years of each other. The cousins could not agree on the operation of a farm and how to settle the estate. He stated that the dairy cows and the equipment are sold to settle the debt. He stated that after that was done only real estate remained. He stated that the land was divided among the cousins.

Ms. Frye stated that each of the cousins have their own tract of land and they could become part-time farmers.

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Ms. Hamilton stated that they need to start over in farming.

Ms. Shiflett stated that in this case there is the temptation for land to be developed.

Mr. Stanley stated that in story number three there is a wealthy family with extensive land and financial recourses. He stated that they sold the 2,000 acre farm to another family. He stated that the farm was sold and is intact. He stated that most of the farm is farmed by the owners and some is rented out.

Mr. Bashaw stated that this case is very rare.

Mr. Stanley stated that story number four involves two sisters in-law. He stated that one is the widow of a farmer with 175 acres. He stated that the other never married, she and her brother farmed 900 acres. He stated that both women are in their 90's. He stated that there is one heir, a niece, and she has power of attorney for both ladies. She stated that the niece is 73 years old and has responsibility of over 1,000 acres of land. He stated that the niece felt overwhelmed so she went to her doctor. He stated that the doctor and the niece negotiated and signed a sales agreement for a large portion of the 1,000 acre farm. He stated that this farm had been a dairy but it is no longer functioning because the dairy farm was out of date.

Mr. Stanley stated that in this case he tried to introduce the idea of PDRs but he does not try to sell them or sell conservation easements to people. He stated that is a decision the property owners needs to make themselves. He stated that he just goes over the facts.

Mr. Stanley stated that this passed market show is a good indicator of what the rural character is in Augusta County. He stated that the answers are not easy and he is here to help the committee. He stated that Jesse Richardson is a good speaker on PDRs, Conservation Easements as well as information on tax credits to include some census data.

Ms. Hamilton stated that the presentation was very interesting. She stated that the committee needs to educate the public.

Mr. Stanley stated that he will rework the figures to give more information to the committee.

Chairman Curry asked if Mr. Stanley could provide information on the 1,691 farmers and how many fit in the \$50,000 category, \$30,000, and so forth?

Ms. Hamilton stated that during years that farms are profitable, farmers need to save because there will be years that they do not make much income.

Mr. Stanley stated that he eliminated some of the columns from this chart to condense it for the presentation but he will provide the committee with more detailed information.

Ms. Shiflett stated that non-farmers do not see the big picture on the amount of fees there are included in farming.

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Mr. Hewitt stated that \$50,000 a year does not seem like the correct number.

Mr. Stanley stated that the committee should get Dr. Kohl to speak to them. He stated that he is a good speaker and would be very informative.

Mr. Grove stated that that the farming work is very different from non-farm jobs. He stated that the pay scales are very different.

Ms. Hamilton stated that farmers need to have an estate plan in place.

Mr. Stanley stated that he hopes the "Food for Thought" information will help the committee.

Chairman Curry asked Ms. Cardelicchio to include those items on the information page so that the committee could look at them when preparing the report.

Ms. Hamilton stated that when the County backed ASR and they needed money that was really good. She stated that they should be able to do that same thing for farmers.

Mr. Hewitt stated that if that was the case where would the County draw the line on helping farming. He stated who would determine which farm is worth helping?

Mr. Grove stated that a threat to agriculture is the loss of agriculture businesses. He stated that in areas that do not have a lot of farming businesses farmers must travel to get the equipment they need.

Mr. Stanley stated that he did not spend a lot of time talking about alternatives for farms to make additional income but a lot of farms do really well with produce markets.

Mr. Hamilton asked Ms. Cardelicchio to copy an article for the committee. She stated that the article involves young farmers and that they want to farm but they need land to farm.

Chairman Curry stated that the Board of Supervisors gave \$491,000 for PDRs. He stated that the committee should not let that decision impact their decisions when recommending ideas to the Board.

Mr. Stanley stated that Jesse Richardson is a good speaker to talk about PDRs.

Chairman Curry stated that he would add him to the list. He stated that his list is growing and the committee has many people to choose from.

Ms. Frye stated that when the Board approved the funding for PDRs they did not want to influence the decision of this committee. She stated that if the Board did not get the money out of the budget now, they would have to wait another four years before the chance would come up again. She stated that the state has a model ordinance but the County may want to change it a little.

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She stated that Nancy Sorrells was the mover behind this task. She stated that Larry Howdysshell thought it was time to move on this as well. She stated that Tracy Pyles would be a good speaker on PDRs but he has a lot of problems with PDRs.

Chairman Curry stated that Mr. Pyles should speak at the next meeting as well as prioritizing the strategies list. He stated that at another meeting Kitra Shiflett wanted to go over sliding scale zoning.

Ms. Frye stated that Richard Avery is an Augusta County resident and he would be glad to speak to this committee. She stated that he is an agricultural economist and a writer.

Chairman Curry asked if there were any other items to be presented?

Mr. Bashaw stated that if the committee members have little ideas to add but they might not be worth mentioning here, they could just write them down.

Chairman Curry asked staff to get an idea box. He stated that the next meeting will be June 2, 2005.

There being no further business, the meeting was adjourned.

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Chairman