

# An Update on the Virginia Agricultural Industry

*Senate Finance  
Economic Development/Natural Resources Subcommittee  
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*Matt Lohr  
Commissioner of the Department of Agriculture & Consumer Services*



# Importance of Ag Industry in VA

- *Largest Industry in VA*
- *Virginia has more than 47,000 farms*
- *Economic impact of \$55 billion annually and provides more than 357,000 jobs*
- *Agriculture and forestry together have a total economic impact of \$79 billion and provide more than 501,000 jobs in the Commonwealth*
- *Every job in agriculture and forestry supports 1.5 jobs elsewhere in the Virginia economy.*

# Agricultural Stewardship

- Helping Farmers to make Water Quality Objectives
- Agricultural Stewardship Act (ASA)
- Total Maximum Daily Loads (TMDL) and Watershed Improvement Plans (WIP)

# Helping Farmers Meet Water Quality Objectives: Staffing Issues

- ⦿ *Currently there is only one staff member at VDACS to handle all Agricultural Stewardship Act (ASA) complaints.*
- ⦿ *2010-2012 Budget allocates \$186,000 for two new positions at VDACS' Ag Stewardship Act Office.*
- ⦿ *These two new employees will help respond to ASA complaints and provide support and technical assistance to family farms in meeting water quality requirements.*
- ⦿ *Once the new positions are filled, the State will be divided into thirds for coverage (Valley and Southwest VA)*

# Agricultural Stewardship Act(ASA)

Complaint Activity, April 1, 2010 – March 31, 2011

- ◎ *Over 100 calls/inquiries about water quality issues*
- ◎ *47 official complaints*
  - ◎ *17 unfounded complaints - No issues identified*
  - ◎ *17 founded complaints - Requiring plans to address water quality issues*
  - ◎ *8 complaints dismissed - No jurisdiction or non-agriculture issues*
  - ◎ *5 complaints still being processed.*



## Virginia's WIP Overview

- ⦿ *Submitted Nov 2010*
- ⦿ *Accepted By EPA Dec 2010*
- ⦿ *Meets 2017 target loads for all basins through management actions, plus use of existing nutrient credits achieve those target loads.*
- ⦿ *Proposes a broad expansion of the existing nutrient credit exchange.*

# ASA Role in Ches. Bay TMDL WIP

- ⦿ *In lieu of lowering the current permitting threshold, ASA will work in conjunction with DEQ to address water quality issues on small animal feeding operations.*
- ⦿ *This will result in an increase in workload- in addition to the traditional citizen complaints.*
- ⦿ *Recently, environmental groups have been filing complaints on sites they view as problems.*
- ⦿ *Two new ASA positions will allow for a faster response time, more timely follow up visits, and an increased presence/involvement in committee meetings.*
- ⦿ *Additional staffing likely to be necessary in the future.*



# Future Dates and Expected Actions

## **Expected in 2011:**

- ⦿ *Revisions to the Chesapeake Bay Model*
- ⦿ *States develop Phase II WIPS (draft 11/11).*
- ⦿ *Modifications of TMDL allocations by EPA by March 2012*

## **Expected in 2017:**

- ⦿ *States develop and submit Phase III WIPS*
- ⦿ *Adjust allocations according to progress on state plans*
- ⦿ *Modifications of the TMDL allocations by Dec 2017*

# Farm Land Preservation

- ◉ *Key Component of Governor's Land Preservation Initiative*
- ◉ *Program Administered Through VDACS Office of Farmland Preservation*
- ◉ *\$1.2 million for Purchase of Development Rights included in budget*
- ◉ *Working with the VOF to encourage Conservation Easements*

# Local Purchase of Development Rights (PDR) Programs in Virginia

- ⦿ *As of January 2010, 14 local PDR programs spent \$49.6 million in local funding since 1997 to protect 30,804 acres*
- ⦿ *22 local PDR programs established*
- ⦿ *16 have some level of local funds available*
- ⦿ *At least 5 other counties are interested in developing a program*

# State Matching Funds for Local PDR Programs

- ◎ *\$4.25 million appropriated for state matching funds to local PDR programs for FY 2007 and FY 2008*
- ◎ *\$900,000 in state matching funds for local PDR programs for FY 2009 and FY 2010*
  - *\$500,000 in FY 2009; \$400,000 in FY 2010*
- ◎ *For FY 2011 and FY 2012, \$100,000 available each year*
  - *2011 General Assembly added additional \$1.1 million for FY 2012*

# State Matching Funds, cont.

- ◎ *Acres preserved (in part with VDACS funds):*
  - *4,306 acres*
  
- ◎ *Easements completed (in part with VDACS funds):*
  - *31 easements*
  
- ◎ *Total purchase price:* *\$12,361,443*
  - *\* Local funds:* *\$5,617,387*
  - *\* VDACS funds:* *\$4,625,344*
  - *Other (FRPP, VLCF, VOF):* *\$2,248,125*
  
- ◎ *Average VDACS contribution:* *\$1,074 per acre*

*\* These numbers include \$129,413 in transaction costs*

# Estimates Based on Previous Easement Calculations

- ◎ *FY 2012 allocation of \$1.2 million: 1,117.32 acres*
- ◎ *With an allocation of \$3 million: 2,793.30 acres*
- ◎ *With an allocation of \$5 million: 4,655.49 acres*
- ◎ *Based on \$1,074 per acre from VDACS and assumption that local and other state/FRPP percentages remain constant*

# Working Lands Discussion Group

- ◎ *In September 2010, VDACS pulled together group to discuss policies for preserving working lands, any impairments (perceived or real) to helping preserve working farms and forests, and potential solutions for these impairments*
- ◎ *Group consists of agricultural and conservation organizations, state agencies and landowner attorneys*
- ◎ *After several meetings, key actions were identified*
  - *Proposed establishment of a “working lands variant” to Virginia Outdoors Foundation’s standard easement template*
  - *Outreach efforts targeted to farm and forest land owners*

# Working Lands Variant

- ⦿ *Primary purpose is for agricultural and forestal use*
- ⦿ *“Farmstead area” is central concept*
  - *Building and structures (except for dwellings) allowed inside without approval*
  - *Buildings and structures (except for dwellings) allowed outside without approval up to 2,000 square feet.*
  - *Limited number of dwellings outside the farmstead area.*
- ⦿ *Wide range of allowable uses without approval allowed inside the farmstead area*
- ⦿ *Reduction (by ½) of allowable divisions of the property*

# Conservation Easement Outreach Opportunities

- ◎ *Additional “Conservation Easement Workshop for Working Lands”*
  - *Initial workshop on March 9 (Lexington)- 100 participants*
  - *Two Workshops scheduled for Nov/Dec 2011*
  - *Two to three additional workshops in 2012*
  
- ◎ *Presentation with VOF at 2011 Virginia Farm Bureau Annual Conference*
  - *November 29- December 1, 2011 (Norfolk)*
  
- ◎ *Additional opportunities identified in partnership with Working Lands Discussion Group*

# International Marketing Strategies

- *Focus on Foreign Trade Offices and International Trade Missions*
- *Virginia Exports outlook for 2011*
- *Strategic Plan to Place to Increase Exports*



# Foreign Trade Offices

- *\$460,000 to VDACS to Establish New International Trade Offices in Key Growth Markets & Regions*
- *Focus Right Now on China and India*
- *Will Supplement VDACS' Hong Kong Office*

# Virginia's Top Export Markets

## A Diversified Portfolio of Countries

- *Canada*
- *China*
- *Morocco*
- *Belgium*
- *Indonesia*
- *Tunisia*
- *Turkey*
- *Venezuela*
- *Russia*
- *Ireland*
- *Japan*
- *The Netherlands*
- *Germany*
- *Taiwan*
- *Hong Kong*
- *Vietnam*
- *Malaysia*
- *Saudi Arabia*
- *Mexico*
- *Jamaica*

# Virginia's Top Agricultural Exports

## A Diversified Portfolio of Products

- *Soybeans*
- *Grains (Wheat, Corn, Barley, Animal Feed)*
- *Pork*
- *Poultry*
- *Leaf Tobacco*
- *Wood Products, Logs*
- *Fats, Oils*
- *Cotton*
- *Seafood, Aquaculture Products*
- *Fresh Vegetables*
- *Hides, Skins*



# 2011 Commitments to Export Growth

- *New State Funds for Trade Reps in Foreign Markets*
- *Aggressive Marketing Agenda in 2011 & beyond*
- *Gubernatorial Trade Missions to Asia, India & Israel*
- *Secretary of Agriculture & Forestry Missions*
  - *Asia, India, Israel, UK, Cuba, others?*
- *VDACS Office of International Marketing*
  - *Missions: Asia, Canada, Russia, Turkey, Cuba, UK, Europe, HK*
  - *Reverse Trade Missions: Korea, Caribbean, Japan, others?*

# Value of Agricultural Exports

- *\$2.24b in Ag & Forest Product Exports in 2010*
- *Second Highest Value; All-Time High in 2009*
- *Many of VA's Top Ag Exports Were Up in 2010*
- *Other Major Commodities Struggled*
  - *Leaf Tobacco: Down by Nearly \$300m*
  - *Wheat & Corn: Yields/Quality Affected by Weather*
- *Trade Barriers Continue to Impact*

# Questions?

*Matt Lohr*  
*Commissioner of the Virginia Department of Agriculture and  
Consumer Services*

*[Matt.lohr@vdacs.virginia.gov](mailto:Matt.lohr@vdacs.virginia.gov)*

*(804) 786-3502*