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## Creating Viable Farms and Ranches: An Economic Development Strategy in Rural and Urban-Edge Communities

By Valerie Berton

In Loudoun County, Va., the fastest-growing county in America, the rural economy is a high priority for public officials. While in some ways, it's a tale of two counties – just 25 miles from Washington, D.C., eastern Loudoun County is a growing suburb, while western Loudoun retains a 240-year-old farming community amid fertile fields – county officials know their appeal depends largely on their rural character.

To sustain their agriculture amid their housing boom, local officials adopted a slew of farm-friendly measures that both protect the land base and promote a farm-based economy. In a growth management plan that made headlines nationwide in 2000, county supervisors responded to a vocal, resident-run “slow growth” campaign and drastically reduced the number of allowable housing units in western Loudoun. But the county went beyond zoning, more effectively protecting agriculture by encouraging a better local farm economy. The tools they used are all the more important after a March Virginia Supreme Court decision invalidated the 2003 rezoning of some 350 square miles.

“We have one of the best agricultural strategic plans,” said Lou Nichols, a farmer and Loudoun County’s agricultural economic development officer. “We recognize that there’s a rural economy that’s more than farming,” such as tourism and the hospitality industry, “and we do what we can to make more money for people in farming.”

By planning for an economically healthy agriculture with pro-farming programs and policies that are integrated into an overall comprehensive land use plan, urban-edge communities like Loudoun can retain the qualities that make them so attractive. Loudoun demonstrates that effective strategies for helping farming communities remain economically viable and environmentally sustainable feature a mix of land use planning tools as well as techniques to foster agricultural economic development.

“Good planning is based on a vision of the future,” said Julia Freedgood, director of technical assistance services for American Farmland Trust (AFT), a national conservation organization with 25 years’ experience helping communities plan for growth with agriculture in mind. AFT’s three-page summary of [economic development techniques](#) includes business planning, both on a community scale and on individual farms; innovative loan and financial incentive programs; direct marketing; farm diversification and agri-tourism, among other options.

“An effective plan includes land use policies and farm-friendly ordinances to keep land available and affordable for farming, promotes ecological stewardship and encourages economic development,” Freedgood said.

### Why Agricultural Economic Development?

For most of U.S. history, agriculture was the bedrock of commerce. Farmers produced and sold food close to home, driving local economies. Today’s commodity-oriented, global marketplace has moved far beyond that tradition. For the farmers who remain,

the challenge is to stay profitable when competing against a flood of products produced from four corners of the globe.

Some farmers-cum-entrepreneurs have bucked the “corporatization” trend, with marked success. Decades ago, Bill Niman moved to northern California and, in an effort to get off the grid, began raising livestock to feed his family and close friends. He was also, quite by accident, well-positioned to supply meat to the first of the modern, “buy-local” chefs, Alice Waters.

From that small beginning evolved Niman Ranch, a nationwide company that provides a unique outlet for livestock producers, primarily hog farmers but also lamb and cattle ranchers. As of March 2005, Niman had inked contracts with 470 hog farmers to supply pork to its customers, from the chain of Chipotle restaurants to Whole Foods markets to ultra high-end restaurants. The farmers and ranchers follow the Niman protocol – livestock raised on family farms without antibiotics and hormones in free-range settings, with husbandry approved by the Animal Welfare Institute. In return for their extra management, the farmers and ranchers earn premium prices well above what they receive at the anonymous feedlot.

It’s economic development in a form Adam Smith, America’s original capitalist, would have approved.

“Every farmer thinks he has the best meat in the world, but to get it on the shelf or in the restaurant is a big challenge,” Niman said. “I took on that focus.”

“There’s more interest from economic development people in the farm states to try to support traditional agriculture,” said Niman, who, in his latest community development venture is working with Illinois officials to plan and site a slaughterhouse and processor for family farmers. “The situation in small, rural communities is so acute, as their schools close and they become ghost towns, that it’s drawn attention from economic development people to look for what we can do to revitalize them.”

Niman’s strategy is inspirational to countless farmers, and even communities looking to realize the full potential of their agricultural resources. As they begin to recognize the value of their rural areas, communities are helping farmers develop new products, build processing facilities and create marketing strategies to increase farm profits. The best results often come with strong local leadership and active nonprofit organizations working in tandem on agricultural development issues.

### **Ever-Innovative: The Case of Loudoun County, Va.**

Loudoun County’s commitment to its rural area evolved from the go-go growth that characterized the 1990s. The Board of Supervisors called for a study to gauge agriculture: crops grown, products made and county residents’ attitudes. The results crystallized the need to establish ways “to stimulate our rural economy to help preserve the rural western two-thirds of the county,” said Supervisor Jim Burton.

Some key Loudoun programs and policies include:

- Clear support for a rural policy area in Loudoun’s comprehensive land use plan, stating: “The County supports the Rural Policy Area as permanent...There must be a viable rural economy to preserve the rural landscape.”
- The so-called “by right” use policy that allows Loudoun landowners more land use options, such as opening wineries, without special exceptions.
- Lower densities for residential development to 50-acre lot minimums.
- A Department of Economic Development that promotes agricultural products, assists in developing new agricultural business and markets rural opportunities through brochures, organized countywide farm tours, five farmers markets and other well-publicized events. The department also helps residents with business

- planning and enterprise marketing and troubleshoots land-use issues for would-be rural commercial businesses.
- A visible, engaged Rural Economic Development Council that advises the county.

“People who benefit from this are not only the farmers, but the citizens at large,” Nichols said. In December, eastern county residents drive over the ridge to cut their own Christmas trees at local farms. They flock to farmers markets strategically located in the suburbs and supplied with just-picked produce. They go horseback riding as part of a flourishing equine industry.

County officials are waiting for the details to meld from the March Virginia Supreme Court decision. Supervisor Burton worries that the court decision will render the county’s forward-thinking protections moot. While he views the situation as “fluid,” he nonetheless stands by the county’s strong stance regarding its rural area.

“No matter what your community’s agricultural focus is, if they’re close to a population center, it’s a given that they can sell anything that’s a direct-market product,” Nichols said. “If you are on the fringe, any county can do the same thing.”

### **Doing it Right: The Case of Skagit County, Wash.**

Another “fringe” county that is seeking to better plan for the economic health of its farmers as part an overall farmland protection strategy is Skagit County, Wash. As long as the Northwest has been populated with European settlers and their descendants, farming has been king in Skagit County. Climate, topography and soils combine to make the Skagit Valley one of the country’s most fertile areas, producing some 80 commodities, including high-value seeds and bulbs, berries, vegetables, and dairy.

With Seattle and Vancouver an hour away, Skagit farmers enjoy nearby markets for their crops. However, that proximity brings a downside. Development continues to threaten prime farmland.

Skagit’s commitment to agriculture dates back at least 30 years, when the county commissioners approved a 40-acre minimum lot size in agricultural zones. The county added a Purchase of Development Rights (PDR) program to its toolbox in 1996 so it could buy agricultural conservation easements from willing landowners. The program was created in response to a voter survey a year earlier affirming resident support for agricultural protection. In fact, 82 percent of survey respondents said agriculture is “the most important or one of the most important contributions to the economy” and an equal number thought the county should be doing more to protect farmland.

In 1997, AFT conducted a Cost of Community Services study at the behest of the county. The study showed that residential development requires more in community services like schools and fire/rescue than it pays for in taxes. On the flip side, the county’s farmers pay more in tax revenue than they require in public services. The study helped convince county voters to show their support for agriculture, and that same year they approved a ballot initiative to fund the PDR program. Voters were clear that they felt funding the PDR program was a service they owed to the farming community.

Although the land protection programs are working well -- the PDR program alone has protected more than 3,300 acres – county officials agree that something more is needed to strengthen the agricultural economy. They now are working to address that gap by developing an economic development strategy.

Skagit County Commissioner Ken Dahlstedt calls economic development a vital part of supporting agriculture. “If you don’t have economic viability, none of the other

measures will be enough to sustain agriculture,” he said. “If people aren’t making a living farming, you can preserve the land, but you won’t keep farming in the area.”

The county plans to create an economic development staff position. In Dahlstedt’s vision, that person would help farmers find viable value-added activities, among other things, to take advantage of the booming vegetable production that occurs in the county.

“In this area, we have a huge variety of 80 different crops we can grow here and very high quality soils that allow that to happen,” he said. “What we’ll do is more of a transition to more fresh market commodities with more direct market links. That will be where we need economic development help to find niche markets to move our products.”

The county’s efforts are augmented by Skagitonians to Preserve Farmland (SPF). In 2001, the organization expanded its mission to include economic viability as a primary goal. Previously, the main goal was saving farmland with tools such as conservation easements. “The classic line we hear from farmers is: ‘What’s the sense of saving the land if I can’t say in business?’ We took that seriously,” said Bob Rose, SPF executive director. “If we want farmland as farmland, not simply saved as open space, then economic empowerment has to be part of the equation.”

As a first step toward addressing economic viability, SFP commissioned AFT to develop a profile of the county’s agricultural industry. Completed in 2001, the profile illustrated the importance of agriculture to the local economy. For example, the report highlighted the jump in agriculture-related businesses, which more than doubled between 1982 and 1997. In 1998, the report found, Skagit’s agricultural industry supported more than 4,200 jobs. Perhaps most telling, the market value of agricultural products sold in the county increased by 88 percent between 1982 and 1997, AFT’s report stated.

Some of Skagit’s key agriculture protection strategies include:

- Promoting “farmland preservation” in the agricultural element of its Comprehensive Plan through mitigating land use conflicts, allowing farm support business in agricultural zones and providing public education on agricultural issues.
- Formation of the Farmland Legacy Program, which purchases conservation easements and staffs the Agricultural Advisory Board. The board works as a liaison between the agriculture community and the County Commissioners.
- Agricultural zoning, open space taxation and a right-to-farm ordinance that requires notification of prospective buyers within a mile of an active agricultural operation
- A revision to the zoning code to make on-farm processing an allowable use in agricultural zones.

Public support for agriculture has been consistent. “There’s a good open dialog here in the county among the various players about the need to protect the ag land base and support the economic viability of farming,” Rose said.

### **On the Right Path: The Case of Lancaster County, Pa.**

With its picturesque rolling hills, productive soils and unique Amish population, Lancaster County, Pa., has supported a strong farming community for centuries. Planners and other community development experts nationwide have long pointed to Lancaster County’s range of land protection tools, such as easement programs that have protected more than 60,000 acres of farmland, as an excellent set of strategies to help the farming community.

Despite the success of those tools, however, farmers in this rapidly developing county outside of Philadelphia face challenges – namely stagnant commodity prices and development pressure. County officials are responding by incorporating economic development strategies and programs into Lancaster’s comprehensive growth management plan.

In 2004, Lancaster County began a methodical effort to update its plan. The plan’s Rural Strategy Section, one of four sets of policies and programs being drafted by county committees, under the direction of AFT, will include land use techniques as well as economic development strategies.

The need to include economic development strategies became clear several months before the comprehensive plan update began. The Lancaster Farmland Trust commissioned AFT to write a report that profiles the county’s agricultural industry and provides recommendations for land use decisions to support an economically robust industry.

AFT found that development pressure poses both a threat and an opportunity for Lancaster farming communities – reaffirming what local officials have known. Interest in economic development has been building among local planners and community leaders, said Mary Frey, a principal planner for the Lancaster County Planning Commission.

“Lancaster is heavily dependent on animal agriculture, and it’s taken a number of hits,” Frey said. “There’s a feeling out there that if the dairy, hog and poultry industries don’t improve, we could lose a lot of farms.”

One solution is to create a brand for the county’s local agricultural products. AFT’s Freedgood points out that Lancaster’s name recognition provides unique opportunities to brand its products. “Business development assistance would allow farmers to tap into new markets with new and innovative products...and add value to new and existing products,” she said.

Given the county’s commitment to farmland protection, and agriculture’s role in Lancaster’s tourist-driven economy, it’s no surprise, Frey said. “People like the farmland and the rural character we enjoy here, and they want to ensure that we don’t lose that portion of our economy.”

### **At the Trail Head: The Case of Ravalli County, Mont.**

Unlike some communities that have proactively planned for agricultural protection and economic development, Ravalli County, Mont., is just starting to evaluate its resources and consider ways to protect them. And unlike most communities with strategies to help farmers, the county is diving into economic development strategies even before its officials write land use techniques into the books.

With a population that’s been booming for a decade, Ravalli County residents are starting to question the rapid conversion of farms and ranchland. Located in the Bitterroot Valley, Ravalli County is sandwiched between the Sapphire and Bitterroot Mountains, both part of the Bitterroot National Forest on the far western edge of Montana.

This picturesque combination of mountain and valley 90 miles south of Missoula draws new residents eager for a slice of the new West. “We get lots of pressure to develop – land values have skyrocketed,” said Mike Pflieger, owner of Lakeland Feeds, a Ravalli County feed manufacturer and agronomy supply company. “You cannot buy a farm and afford to pay that kind of mortgage with an ag operation.”

It is certainly hard to make a living ranching in Ravalli County, locals say. The Bitterroot Valley, just 10 to 25 miles wide, crimps traditional agriculture. It doesn’t help

that Ravalli is the fastest-growing county in the state and, for a time in the 1990s, was one of the fastest-growing in the nation.

“Agriculture has always been marginal because of the landscape – the forest boundaries come halfway down the sides of the mountains and allotments [of grazing land] have been reduced. Farms and ranches are small here,” said Kristine Komar, executive director of the Bitter Root Land Trust. “Yet, the agricultural economy is so important to our community and our culture. Farms and ranches are valuable for what they produce and even more for their ability to provide the rural character we love so much.”

A 2002 economic assessment funded by the county sounded a cautionary note about Ravalli County’s farmers and ranchers. The lands they operate and manage “are a key feature of the valley and help create part of the area’s high quality of life,” the report says. “However as the valley’s population grows, the amount of land in farms and ranches is declining. Time is of the essence for valley leaders to determine what measures may assist in keeping key land masses...in agricultural use.”

Pflieger and Komar are part of a group of proponents who have signed up for that mission. Pflieger is a member of the county’s Right to Farm and Ranch Board, an advisory group appointed by the county commissioners. With a grant from a USDA sustainable agriculture program, the board traveled to three Montana counties to learn how they have integrated ranchland and ranch activities into their local planning efforts. With Komar’s help, they secured more grants for an economic analysis that will go beyond dollars and cents to cultural and social issues.

“We want to learn how we can help all who live in the valley support an agricultural landscape,” Komar says. “The qualitative part of our process and study will help us figure out how non-agricultural people can support ag and achieve the pastoral settings, clean air, clean water and other amenities that no one can really place a value on.”

Pflieger, whose business works with a wide variety of farmers and ranches in the valley – from the traditional to cutting-edge diversified operations – knows that economic development is taking place in Ravalli County’s agriculture, albeit in untraditional ways. Volunteering on the board has become his way to try to inspire county leaders to invest more, care more, about agriculture.

“I want to help educate people about all kinds of agriculture,” he said. “Those of us in ag businesses do economic development every day by helping people produce something a little better or more efficiently. Our document will say, ‘Look, ag is not dead in our community -- it’s different, it’s evolving, it’s not just one or two enterprises any more, it’s a whole plethora.’ ”

Others on the board hope the economic study will be the first step in a process of implementing community-supported farm and ranchland protection, both for the producers and for the residents who value the county’s viewshed, which would look far different without the hayfields, rows of grain, and livestock pastures laced amid mountain vistas.

*Valerie Berton is a freelance writer based in Takoma Park, Md.*

*For more information about American Farmland Trust, please contact Jill Schwartz at (202) 331-7300, ext. 3011, or [jschwartz@farmland.org](mailto:jschwartz@farmland.org) or visit AFT’s Web site at [www.farmland.org](http://www.farmland.org).*